CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

FIRST SESSION—TWENTY SIXTH PARLIAMENT

12 ELIZABETH II

VOLUME VI, 1963

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TO THE TWENTY FIRST DAY OF DECEMBER, 1963, INCLUSIVE

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QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1963

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HOUSE OF COMMONS

Friday, November 29, 1963

The house met at 11 a.m.

PRIVILEGE

MR. KNOWLES—AVAILABILITY OF REPORT RESPECTING T.C.A. WINNIPEG MAINTENANCE BASE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a question of privilege, and when I have stated my question of privilege I shall move an appropriate motion based thereon.

As all hon. members are aware, the government has steadfastly refused to make public the report of R. Dixon-Speas and Associates on the operations of Trans-Canada Air Lines. The government has refused to let parliament see that report. It has refused to let the government of Manitoba see it, and of course we recall the incident in connection with which the hon. member for Winnipeg South (Mrs. Konantz) saw it in the distance but did not see the report itself. In other words, it is quite clear in the minds of hon. members that this is a document which the government feels is privileged and must not be seen by us, and I would take it, therefore, must not be used in public.

I hold in my hand a copy of the Winnipeg *Free Press* of Wednesday, November 27, 1963, on page 1 of which I find a story entitled "T.C.A. won't boost fares, house told", a story based on questions and answers in the house on Tuesday. The fourth paragraph in this story, which is written by the Winnipeg *Free Press* staff person here in Ottawa, reads as follows:

> Gordon McGregor, president of T.C.A., was quoted in the Winnipeg *Free Press* yesterday as having announced that continuing the maintenance base in operation at Winnipeg until 1973 will cost T.C.A. an additional $19,800,000. This figure was contained in the Dixon-Speas report on the economic operations of T.C.A.

When I first saw that story I wondered how the staff person—and I won't be coy about it, the staff person here in Ottawa for the Winnipeg *Free Press* is my good friend Mr. Victor Mackie—had seen the report and knew that figure was in it. Then I find another story, also in the same issue of the *Free Press* on page 27, entitled "Anxious T.C.A. chief hits base decision". This is under the by-line of Victor Mackie and the first part of it reads:

> Continuing the overhaul and maintenance base in operation at Winnipeg until 1973 will cost T.C.A. an additional $19,800,000, according to the president of the air line, Gordon R. McGregor.
>
> That figure was set out in the Dixon-Speas report, a spokesman for the air line said. He said that was what Mr. McGregor based his estimate on, the findings in the report.
>
> The economic study had found that if T.C.A. did not phase out of its operation of the overhaul and maintenance base at Winnipeg by 1966, as was originally planned, and kept the base operating for another eight years, it would cost the air line $19,800,000.

It is a much longer story. There is a good deal in it that is interesting with respect to the conflict between Mr. McGregor's opinion and the opinion of the Prime Minister, but I do not wish to import into this question any extraneous material. My question of privilege as a member of parliament is that a document which we have been denied, a document—access to which has been denied the government of Manitoba—is being seen by other people, and some of its contents are being used by other people for arguments in connection with this issue that confronts the country and us in Manitoba in particular.

My view is that if we are to be denied the opportunity of seeing this report, no one should be able to make any public use of it. If Mr. Mackie is seeing this report—I do not think he is; I think he has just learned that somebody else has seen it—and if the president or spokesmen of the air lines are permitted to learn what is in it, I think the government of Manitoba, which is very much concerned with this matter, should see it and we in this house should have the right to see it. As I see it, the privileges of parliament are being violated by this incident as reported by the Winnipeg *Free Press* in the article I have just quoted. Therefore, on the basis of the question of privilege which I have raised, I move, seconded by the hon. member for Skeena (Mr. Howard):

> That in the opinion of this house the government should give immediate consideration to the question of making public the contents of the report of R. Dixon-Speas and Associates on the economic operations of Trans-Canada Air Lines.

Some hon. Members: Hear, hear.

Mr. Knowles: You will note, Mr. Speaker, that I have limited my remarks and my motion to the one issue. I have not imported other things that could be said so far as this question is concerned; I have limited it to the one question of making the report public. I have even exercised restraint in the sense that my motion does not demand that the report be published, but simply says that the house

has the right to express to the government its view on this matter, in the light of what has happened, and asks the government to give consideration to the question of making public the contents of this report. I therefore move, seconded by my deskmate from Skeena, this motion based on my question of privilege.

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, I would like to take a moment to say something on the question of privilege that has been raised. I think I should first point out that what we are dealing with here is a report procured by Trans-Canada Air Lines from a firm of consultants. The former government, for some reason of its own but I presume a perfectly proper and correct reason, did not obtain this report, order its preparation or retain the firm of R. Dixon-Speas; rather, they requested Trans-Canada Air Lines to retain a firm of consultants, and Trans-Canada Air Lines did this.

The point was raised at the time, and the decision taken by the previous government was that it would not itself have this study undertaken but that the air lines would retain the firm. The air lines did that. The report was finally prepared some time, I think, in August—I am subject to correction on the date—and it does contain information of a nature that must remain confidential because it would be wholly destructive of the—

An hon. Member: Liberal party.

Mr. McIlraith: Mr. Speaker, the hon. member shows his complete lack of appreciation of the subject matter with which we are dealing. The report does contain material that cannot be made public because it would materially damage the competitive position of T.C.A. vis-à-vis other air lines, because the information would be of a nature not normally given by operating companies to their competitors. There is great difficulty on that score.

I had hoped that when the report came it would be of such a nature that it could be readily tabled and made public. I well understand the position of the Manitoba government, who are interested in this subject, and of other persons who have a natural curiosity to see the report, but there are two points I wish to make. The first is that the report is not a government document. It is a report having to do with the internal management of a company obtained by the company itself; therefore there is that reason for not tabling it. But quite apart from that reason, which was never the main reason relied on for not tabling it, the report does contain material that cannot be made public.

I have spent a great deal of time on this subject since last August, I regret to have to say, in an effort to meet the problem, and I finally came to the conclusion that the problem could be met by taking out of the report those parts of it which cannot be made public for obvious reasons. To that end I had the government retain R. Dixon-Speas and Associates to delete from the report those parts that are of a purely confidential nature to Trans-Canada Air Lines, and gather the rest together so that it could be presented to the house, to the government of Manitoba and to the public.

I gave a lot of thought to this matter. At one time I contemplated having the Department of Transport do the deleting and at another time having Trans-Canada Air Lines do it, but I came to the conclusion that no matter how carefully they did it they would be subject to the charge of being an interested party. So I then decided that the correct way of doing it was to retain the firm which had prepared the report, and this is in the course of being done now. I do not know when it will be available. I hope it will be very soon, but I cannot say precisely.

Mr. Knowles: Mr. Speaker, may I ask the minister a question? Do I gather from what he is saying that in effect he is prepared to accept my motion, which simply asks that the government give consideration to the question of making the contents of the report public? I gather he is prepared to make portions of the report public, and in that sense he could meet the terms of the motion.

Mr. McIlraith: No, Mr. Speaker, I am sorry if I conveyed that impression. The motion is quite objectionable on grounds I thought I covered. It cannot be accepted in its present form because the report very clearly contains material that no responsible government could consider publishing. But I have taken steps, I believe, that will meet the difficulty the hon. member seeks to raise now, and those steps were taken some time ago. In that context I would think the hon. member's motion should be one of commendation of the government for already having taken those steps some weeks ago, but the motion itself is quite out of order.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, the Minister of Transport is quite correct when he says it was perfectly proper for Trans-Canada Air Lines to hire a consultant to look into the economic feasibility of moving the maintenance depot from Winnipeg. He is also quite right when he says that reports of this nature are usually confidential and privileged because they may contain information which, if made public, could do harm to Trans-Canada Air Lines or

any other crown corporation in its competitive capacity.

However, I think the minister has missed the vital point, that if the document is to be confidential and privileged to the government, then certainly neither the president of Trans-Canada Air Lines nor anyone else has any right to quote extracts from that report in substantiation of a particular line of argument. If they are permitted to do that they are advancing the conclusions of that report without the rest of us having any opportunity to study the bases upon which those conclusions were reached. We should have the right to see the computations and arithmetical foundation upon which this alleged loss of $19,800,000 is based. It is most improper, it seems to me, for use to be made of this report, isolated statements being taken from it and quoted in argument, and at the same time deny hon. members of this house access to the report. As a matter of fact the minister should be concerned about this statement.

It goes much further. My colleague from Winnipeg North Centre was being kind in not reading the rest of this comment. It quotes the president of Trans-Canada Air Lines as saying:

> If the Winnipeg base is worth that ($19,800,000) then Mr. Pearson is the man to decide.

This is a clear allegation that a decision has been made which is uneconomic, unwise; that it will cost the country $19,800,000; and we have no way of knowing whether or not that is a conclusion which is warranted. The minister said that he could see no objection to releasing parts of the report provided the confidential parts of it were not disclosed. I submit to him that there is no reason why he should not accept this motion. The motion does not demand that the government table the report, but that it should take into consideration the tabling of it. The minister could accept that motion subject to the reservation he has just made, that there are parts of the report which he would consider it advisable to withhold. It seems to me that he should accept the motion now subject to the reservation he has made regarding the confidential sections of the report.

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, if I may, I think the point which is of most importance and which should not be lost sight of by the house is that the hon. member for Winnipeg North Centre raised this matter as a question of privilege. As the house knows, matters of privilege should be raised immediately, and this matter has been under discussion on a previous occasion.

Some hon. Members: Oh, oh.

Mr. Chevrier: I do not use that last argument to suggest that this is not a matter which should be raised as a question of privilege. The point I am raising, however, is this: that this document is not a document of the government; this document is a document of a crown corporation. If there is a question of privilege here the hon. member for Winnipeg North Centre must tie in that privilege with the responsibility either of a member of parliament, or of a minister of the crown, or of the government itself. That is the link which is lacking at the moment in order to abide by the rules of the house.

That is why I agree with the hon. member for Burnaby-Coquitlam that what the Minister of Transport has said concerning his desire to give to the house a summary of matters which are not confidential and not of a technical nature indicates the desire of the government to assist hon. members to the extent that it can. But the point, and the only point at issue here in my opinion, is that this is not a document of the government but a document of a crown corporation; and under all the circumstances it seems to me that the house has already accepted the proposition that communications of this nature are privileged.

Mr. Knowles: Mr. Speaker, on the point of order raised by the Minister of Justice, particularly the point about immediacy, may I point out that my question of privilege is based on two reports in the Winnipeg *Free Press* of Wednesday, November 27. Today is Friday, November 29. Even that is fast service. I saw these stories at nine or ten minutes to eleven this morning. I could not have raised a question of privilege much more immediately than I did.

As to the minister's suggestion that this is a report which belongs to a crown corporation, may I point out that it has been admitted several times by the Minister of Transport that he is in possession of a copy. He has made reference to it. He has cited it. He has told us why it cannot be produced. He has told us why he did not wish to disclose it to the hon. member for Winnipeg South. He told us this morning that he is studying whether or not to have extracts made, and who is to make the extracts. So, while the report may have been paid for by Trans-Canada Air Lines, a copy is in the minister's possession, and surely the air line is a responsibility of the government. If the government says this information must be kept confidential, and an emanation of the crown is making parts of it public, I suggest we have a question of privilege and the government itself should redress the wrong that has been done to us by making public at least sections of the report.

I want to emphasize what was said by my leader, the hon. member for Burnaby-Coquitlam. It seems to me the course which the Minister of Transport should follow is clear. I would be happy to accept his reservation that the government should make public only those sections of the report which he feels would help clear up the situation. If he wishes to make the kind of reservation he has indicated I would be happy to accept it.

Hon. Gordon Churchill (Winnipeg South Centre): I should like to ask the Minister of Transport a question before making certain observations. Would he verify the amount mentioned by Mr. McGregor as reported in the newspaper article? Is that the extra cost which would be involved in maintaining the base in Winnipeg?

Mr. McIlraith: That question is improper.

Some hon. Members: Oh, oh.

Mr. McIlraith: The hon. member is seeking to make me disclose to him the contents of the report, and I have consistently refrained from doing this for the reasons I have explained. The hon. gentleman will be able to satisfy his curiosity about the answer to that question when the summary of the report is tabled. I cannot answer his question now.

Mr. Churchill: Are we, then, to accept the statement of Mr. McGregor that this will be the extra cost if the base is maintained there, or are we to reject that statement. This is what has now complicated the issue. I am not going to accuse Mr. McGregor of not telling the truth, but if this is an inflated figure we should know about it immediately. If this is a figure which is going to influence the government in making a decision, and if it is a wrong figure, what position are we left in?

It seems to me the government must now take some action. The minister has told us repeatedly that he is relying on this report in order to reach a decision as to what should be done about the base in Winnipeg. The other members from Winnipeg have not been given a chance even to peek at the report. I have not even seen the volume, but apparently the report has now been partially disclosed by the president of T.C.A. If the government intends to make a decision based on the figure disclosed by him it seems to me we should know whether that figure is accurate or not. There is no question but that the government should now take immediate steps to clear up this issue.

The government of Manitoba has made a request to examine the report so they could put their case forward. In fact the Prime Minister has asked the government of Manitoba to present its case again. It did so in June of this year and received what was understood to be an assurance by all those present, that the other factors would be taken into account in addition to any report made as a result of the Dixon-Speas economic survey. It is a very peculiar situation now in so far as the base in Winnipeg is concerned, when we learn that the medium jets are not going to be serviced there and that the Viscounts are going to be withdrawn. The assurance, therefore, was just a sop to attempt to bemuse the people of Winnipeg and the government of Manitoba.

This motion, Mr. Speaker, is certainly extraordinarily mild, stating only that the government should give immediate consideration to the question of making the report public. As the hon. member for Winnipeg North Centre has pointed out, he has tried to be very kind to the government, which is not an unusual position for him to take.

Mr. Knowles: Order.

Mr. Churchill: He has so worded the motion that the government can easily get off the hook. However, the situation has now reached the stage where the government must take some steps in order to clear up this situation. Is Mr. McGregor giving the right figure with regard to the base in Winnipeg or is he confusing the issue? Only the minister has seen the report and read it, and only he can clear this up.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): We listened to the hon. member for Winnipeg North Centre as he set out his reasons for raising a question of privilege. He made out a very good case, and one that deserves the support of the house. I feel that this question of privilege is one that is indicative of the need for action to be taken by parliament to secure information from this government which has shown a propensity for concealment or for selective information.

Some hon. Members: Order.

Mr. Diefenbaker: I repeat, it has shown a propensity for selective information. However, after having made a strong statement the hon. member now puts a motion which, if it had been drawn in co-operation with the Secretary of State, could not have been weaker. I cannot understand this. It merely says that in the opinion of this house the government should give immediate consideration to the question of making public the contents of the report. I am impressed with the fact that there is a breach of the privileges and rights of parliament. I am also impressed by the wonderfully co-operative spirit in the motion which, as the hon. member for Winnipeg South Centre said a minute ago, is not unusual.

Mr. Knowles: Order.

Mr. Diefenbaker: I suggest, sir, that this should be accepted as a question of privilege and that the government would be able to accept a motion as weak, as watered down as this, without any loss of prestige, and would be in the same position as they were a short time ago when they were able to join with the New Democratic party in their amendment. This is weaker than that. It is so worded that the government has an easy way out. I appeal to the government to take advantage of the opportunity the hon. member for Winnipeg North Centre has afforded them to get out of a very disagreeable position by means of a most agreeable resolution.

Mr. McIlraith: I will not avail myself fully of the same privilege the Leader of the Opposition made use of to discuss the government in a general way. I would point out to the hon. gentleman that it was his government which made the decision that this consulting firm should be retained by Trans-Canada Air Lines and who had refused to retain it themselves; it was his government which refused to take its responsibility as a competent government would have done. This step having been taken, we are today bound by it. I would point out further to the right hon. gentleman, if he wants to digress into this field, that this is precisely the thing we are finding in the departments so far as his government was concerned; that it could not make decisions or take responsibility.

Now, having said that, I want to address myself to the point at issue here, because the hon. member for Winnipeg North Centre has raised a point that deserves the consideration of the house. The point he raised was this, that we should accept as a question of privilege that with regard to an officer of a crown corporation using information concerning the internal operations of that crown corporation, after this information has been procured for its own purposes, such officer is now precluded from using such information without making public the whole of the report. I would draw the attention of this house to what is the relevant point here: Crown corporations, if they are to operate effectively, must have a right in their internal operations to retain professional people to prepare reports for them and to use the information obtained in these reports. This is standard practice with relation to architects, engineers and so on.

Surely it cannot be argued here that they are not able to do so, that there is a breach of privilege when the officer of a corporation makes a reference to the kind of conclusion that he says he obtained in that way. I was amazed at the argument of the hon. member for Winnipeg South Centre which was tantamount to this, that the information obtained by a crown corporation from outside experts should be treated differently from information obtained from its own employees. That is the absurdity which is inherent in his argument. As a former minister of the crown he should know better. It typifies exactly what put this whole subject matter in this position in the city of Winnipeg, that splendid city where the people are concerned about this subject.

Mr. Knowles: Will the minister permit a question?

Mr. McIlraith: Yes.

Mr. Knowles: When the government declares that a report is to be treated as confidential, does that not apply to all those who have copies of the report?

Mr. McIlraith: That is the very point I am making.

Some hon. Members: Oh, oh.

Mr. McIlraith: The government is in the position that if the government had committed a breach of that confidence, the position might be different. This question before the house, however, arises because an officer of a crown corporation made a reference to a document he properly obtained and which he presumably obtained for the purpose of using it. That is the distinction that is to be drawn.

Mr. Diefenbaker: Would the minister allow a question?

Mr. McIlraith: Yes, I will extend the courtesy, not extended by the right hon. former prime minister and the hon. member for Winnipeg South Centre, to ask a question.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

Hon. Leon Balcer (Three Rivers): Mr. Speaker, I would like to speak on this question of privilege.

Mr. Speaker: I do not want to limit the hon. member of course, but we have had an extended discussion.

Mr. Balcer: A point has been raised by the minister, and we have heard about the case of the people of Winnipeg, but I would like to say a few words for the people of Montreal on this matter.

Mr. Speaker: Order, please. Are you speaking to the point of privilege or are you describing the beauties of Montreal?

Mr. Balcer: The minister has raised doubts about the responsibility of the last government in matters of transportation, and said we were afraid to take our responsibilities.

Question of Privilege

Mr. Speaker: I am sorry to interrupt the hon. member, but we are discussing a point of privilege.

Mr. Diefenbaker: No, Mr. Speaker. On a question of order, the minister made gratuitous remarks—

Mr. McIlraith: To you.

Mr. Diefenbaker: —and the former minister of transport has the right to reply.

Mr. Speaker: I appreciate the comments of the right hon. Leader of the Opposition, but this point of privilege has almost developed into a debate on both sides of the house. It is my duty to try to bring it to a conclusion and reach a decision as to whether the motion is in order. I think the extended discussion this morning almost proves the point that we are anticipating a grievance or a debate. For example, citation 113 in Beauchesne's fourth edition says:

> Members often raise so-called "questions of privilege" on matters which should be dealt with as personal explanations or corrections, either in the debates or the proceedings of the house. A question of privilege ought rarely to come up in parliament. It should be dealt with by a motion giving the house power to impose a reparation or apply a remedy.

Well, we have a motion in front of us, which I am glad to say is the customary procedure, and I wish it were followed more often. But it has to be decided whether this motion is in order. In my opinion the hon. member for Winnipeg North Centre could easily put a notice on the order paper asking for the production of papers. At that time the government could make up its mind whether to accede or not. In the light of these circumstances, and in the light of the extended discussion this morning, I regret to say I do not see a prima facie question of privilege on this matter.

Mr. Knowles: With respect, Mr. Speaker—I know I cannot argue at this point—but in view of what has been done to parliament in this matter, I must appeal your decision.

Mr. Speaker: The house has heard the decision of the Chair from which the hon. member for Winnipeg North Centre has appealed to the house. All those in favour of sustaining the decision of the Chair will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

[Mr. Balcer.]

Mr. Speaker put the question as follows:

The question before the house is an appeal from a ruling of the Chair, which is as follows:

The hon. member for Winnipeg North Centre rose on a question of privilege and proposed a motion as follows:

"That in the opinion of this house the government should give immediate consideration to the question of making public the contents of the report of R. Dixon-Speas and Associates on the economic operations of Trans-Canada Air Lines."

I stated that in my opinion the hon. member could put a motion on the order paper in order to permit the house to take a decision on the question. That being so, I ruled that there was not a prima facie question of privilege in regard to the proposed motion; whereupon the hon. member for Winnipeg North Centre appealed to the house from this decision.

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:

Armstrong
Asselin (Notre Dame de Grace)
Asselin (Richmond-Wolfe)
Badanai
Batten
Bechard
Benidickson
Benson
Berger
Boulanger
Byrne
Cameron (High Park)
Cardin
Caron
Carter
Cashin
Chevrier
Cote (Chicoutimi)
Cote (Longueuil)
Cowan
Cyr
Deachman
Deschatelets
Drouin
Drury
Dube
Dupuis
Emard
Ethier
Eudes
Favreau
Forest
Francis
Garland
Gelber
Gendron
Godin
Gordon
Gray
Greene
Groos
Guay
Habel
Haidasz
Hahn
Hays
Hellyer
Klein
Lachance
Laing
LaMarsh, Miss
Lamontagne
Lamoureux
Laniel
Laverdiere
Loiselle
Macdonald
MacEachen
McIlraith
McMillan
Martin (Essex East)
Matheson
Matte
Moreau
Morison
Mullally
Munro
Nicholson
Nixon
Olson
Ouellet
Pearson
Pepin
Pickersgill
Regan
Richard
Rinfret
Rochon
Rouleau
Roxburgh
Ryan
Sharp
Stewart
Tardif
Teillet
Temple
Tremblay
Tucker
Turner
Wahn
Watson (Chateauguay-Huntingdon-Laprairie)
Whelan—92.

NAYS

Messrs:

Aiken	MacLean (Queens)
Balcer	MacRae
Baldwin	McBain
Belanger	Madill
Boutin	Mandziuk
Brewin	Martin (Timmins)
Cantelon	Martineau
Caouette	Mather
Cardiff	More
Casselman, Mrs.	Muir (Lisgar)
Chapdelaine	Nasserden
Churchill	Nesbitt
Clancy	Nielsen
Crouse	Nowlan
Danforth	Nugent
Diefenbaker	Pascoe
Dionne	Peters
Doucett	Pigeon
Douglas	Plourde
Fairweather	Prittie
Fane	Rapp
Fleming	Rheaume
Gauthier	Ricard
Grafftey	Rondeau
Gundlock	Scott
Hamilton	Slogan
Harkness	Smallwood
Herridge	Southam
Horner (The Battlefords)	Stefanson
Howard	Vincent
Jorgenson	Watson (Assiniboia)
Kindt	Webb
Knowles	Webster
Korchinski	Willoughby
Laprise	Winch
Loney	Winkler—73.
MacEwan	

Mr. Speaker: I declare the decision sustained.

[*Translation*]

Mr. H. Pit Lessard (St. Henry): Mr. Speaker, I was paired; had I voted, I would have voted to sustain your ruling.

[*Text*]

Mr. Pennell: Mr. Speaker, I was paired with the hon. member for Middlesex East (Mr. Millar). Had I voted I would have voted to sustain your ruling.

Mr. Mitchell: Mr. Speaker, I was paired and did not vote. Had I voted I would have voted to sustain your ruling.

COMMITTEES OF THE HOUSE

RAILWAYS, CANALS AND TELEGRAPH LINES

Third report of standing committee on railways, canals and telegraph lines—Mr. Boulanger.

STANDING ORDERS—CONCURRENCE IN FOURTH REPORT OF STANDING COMMITTEE

Mr. Gerard Loiselle (St. Ann) presented the fourth report of the standing committee on standing orders, and moved that the report be concurred in.

Motion agreed to.

Proposed Legislation

EXTERNAL AFFAIRS

REFERENCE OF ESTIMATES OF DEPARTMENT TO STANDING COMMITTEE

Hon. Paul Martin (Secretary of State for External Affairs): I move, seconded by my colleague the Minister of National Defence (Mr. Hellyer):

That items numbered 1 to 155 inclusive, and items numbered L10 and L15, as listed in the main estimates, 1963-64, and items numbered 1a to 117a inclusive, and items numbered L10a and L13a, as listed in the supplementary estimates (A), 1963-64, relating to the Department of External Affairs, be withdrawn from the committee of supply and be referred to the standing committee on external affairs, saving always the powers of the committee of supply in relation to the voting of public moneys.

In making this motion, I wish to point out an obvious error in the printing of the supplementary estimates at item L10a on page 25. This item should refer to an additional advance to the working capital fund of the United Nations organization and not to the world health organization.

Motion agreed to.

CANADA GRAIN ACT

AMENDMENT TO REVISE DEFINITION OF "ELEVATOR"

Mr. H. A. Olson (Medicine Hat) moved for leave to introduce Bill No. C-114, to amend the Canada Grain Act (off-track elevator licensing).

Mr. Knowles: Explain.

Mr. Olson: The purpose of this bill is to revise the definition of "elevator" under the Canada Grain Act so that an inland elevator is no longer restricted to premises served directly by a railway. The amendment thus authorizes the board of grain commissioners to license premises which are off-track and served by other means of transportation.

Motion agreed to and bill read the first time.

QUEBEC SAVINGS BANKS ACT

AMENDMENTS RESPECTING QUALIFICATIONS OF DIRECTORS

Mr. Jean-Eudes Dube (Restigouche-Madawaska) moved the first reading of Bill No. S-46 (from the Senate), to amend the Quebec Savings Banks Act.

He said:

[*Translation*]

Mr. Speaker, before the adoption of the motion for first reading of this bill which was sent to the house by the Senate, I should

like to say a few words about the subsequent consideration of the bill by the house.

Hon. members know that after the bill has been read for the first time, it will take its place at the bottom of a long list of public bills on the order paper. Consequently, it is unlikely that the house will be able to consider it during the present session.

As this legislation is of some importance to the management of the two savings banks concerned, I intend to ask, when public bills are called at five o'clock, that the house unanimously agree to give priority to this bill.

Meanwhile, I shall now ask that the bill be read for the first time.

[*Text*]

Motion agreed to and bill read the first time.

Mr. Speaker: Hon. members have heard the suggestion made by the hon. member for Restigouche-Madawaska. Is it agreed?

Some hon. Members: Agreed.

Mr. Speaker: When shall said bill be read the second time. Later this day.

ROYAL CANADIAN AIR FORCE

PENHOLD, ALTA.—REQUEST FOR RECONSIDERATION OF CLOSING OF AIR BASE

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 National Defence, and ask whether he will bring the house up to date on any investigation which is taking place with respect to the Penhold air base and as to any probability of the order being altered which was made earlier to the effect that jet training would not be permitted at that base.

Hon. Paul Hellyer (Minister of National Defence): I have nothing new to add. My colleague the Minister of Transport is carrying out a careful review of air safety requirements in respect of all air training bases. No conclusions have been reached so far, I suspect; consequently there has been no change in the decision announced with respect to Penhold.

Mr. Diefenbaker: Does the hon. gentleman still take the stand that the safety regulations which, he said, forbade the use of this base, might be altered so as to permit the change in that decision?

Mr. Hellyer: Mr. Speaker, all I said was that safety regulations made it impossible to use the Penhold base for ab initio jet flying training.

REQUEST FOR INQUIRY INTO CRASH OF CF-100 PLANE

On the orders of the day:

Mr. H. Russell MacEwan (Pictou): Mr. Speaker, I have a question I wish to put to the Minister of National Defence. Having regard to the fact that a member of the crew was a native of my home town, and indeed a personal acquaintance, can the minister report to the house on the crash of the CF-100 jet aircraft near St. Hubert air base yesterday, and if a full investigation into the causes will be carried out.

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, at 1300 hours local time on November 28 an R.C.A.F. CF-100 crashed one mile from the end of the runway while on final approach at R.C.A.F. station St. Hubert. The pilot, Flying Officer D. B. MacKenzie, and the navigator, Flight Lieutenant W. C. Henderson, were both killed. The reason for the accident is not known at this time, but a full investigation is being held.

EXTERNAL AFFAIRS

REPORTED EXISTENCE OF SPY RING WITHIN DEPARTMENT

On the orders of the day:

[*Translation*]

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, yesterday the hon. member for Villeneuve (Mr. Caouette) asked me whether I was in a position to confirm or deny the existence of a spy ring within my department, as stated in an Ottawa newspaper, the *South End News*.

To give a specific reply to the hon. member's question, I emphatically deny that there could be a Russian spy ring within the Department of External Affairs. The departmental officials are constantly in touch with the R.C.M.P. with regard to all matters relating to the security of the department, and there is no actual fact to confirm such an allegation.

[*Text*]

NATIONAL DEFENCE

NATO—USE OF ATOMIC WEAPONS TO DETER ATTACKS

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I have a question for the Minister of National Defence based on a statement he made in a speech at the Empire club in Toronto yesterday. He was referring to the NATO allies and the sentence reads as follows:

They prefer to deter both nuclear and non-nuclear attack by the threatened immediate use of

tactical atomic weapons and to accept the risks inherent in this strategy.

Would the Minister of National Defence tell us which of the allied nations in NATO prefer that use of atomic weapons?

Hon. Paul Hellyer (Minister of National Defence): No, Mr. Speaker, I do not think that would be helpful. I think it is well known that there is some difference of opinion in respect of strategy. Our main interest is to seek agreement so we can have a strategy which is fully supported by all members of the alliance. A meeting of the NATO council of ministers is taking place shortly, and it would not be the least bit helpful to mention now any of the positions that may be taken by different delegations.

Mr. Churchill: Then may I ask a question of the minister for external affairs. What steps will the minister for external affairs take at that NATO meeting in December to ensure that there shall be no use of either tactical or strategic atomic weapons without the concurrence of the NATO allies?

Hon. Paul Martin (Secretary of State for External Affairs): I am sure the hon. gentleman, as an experienced minister of the crown, knows how improper that question is at the present moment.

Mr. Churchill: I am asking for the position of the Canadian government in a matter of vital importance to the peace of the world. Let me phrase my question again. I am asking the minister what steps he is going to take on behalf of the Canadian government and the Canadian people to ensure that no nation within the NATO alliance will use either tactical or strategic atomic weapons without the concurrence of the other allies.

Mr. Martin (Essex East): My hon. friend knows quite well that the response I gave him a moment ago was the response which he, as a responsible minister, if he were on this side, would give. These are matters which the government makes public at the appropriate moment, and this is certainly, in the interest of the alliance, not the time to give the kind of response which my hon. friend encourages me to make.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I am surprised that the affable minister should answer in that way. Has not parliament the right to know, on a matter as important as this, the stand that Canada is going to take?

Mr. Martin (Essex East): My right hon. friend is quite correct. Parliament has the right to know the position of the government. But the government has the responsibility of saying when it shall inform parliament concerning government policy.

Mr. Diefenbaker: The same old contempt of parliament.

Hon. Paul Martineau (Pontiac-Temiscamingue): I should like to ask the Minister of National Defence a question arising out of his Toronto speech. Would he care to elucidate the statement made in the course of that speech, that the situation of one half of our air division is clearly not satisfactory? If it is not satisfactory, what is the government going to do about it?

Mr. Hellyer: I think the statement speaks for itself. I said it was not satisfactory, and I proposed to make recommendations in respect of it in the very near future.

Mr. Martineau: When is that?

Mr. Hellyer: In due course.

Mr. T. C. Douglas (Burnaby-Coquitlam): I have a supplementary question for the Secretary of State for External Affairs. He said a moment ago that the government reserved the right to tell parliament when it had reached a decision. May I ask the minister if parliament will be informed before any commitment is made by the government of Canada, or afterward?

Mr. Martin (Essex East): My hon. friend, who has had long experience as the head of a government, knows that the answer to that kind of question would depend on the circumstances.

Mr. Douglas: May I ask a supplementary question. Would the minister tell us the circumstances which would determine when parliament would be informed?

Mr. Martin (Essex East): As an experienced parliamentarian and former head of a government, my hon. friend knows that the answer to that must be that it would depend on the situation at the time.

BOBCAT PERSONNEL CARRIERS—INQUIRY AS TO PRODUCTION

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. In view of the statement in his speech yesterday that the brigade in Europe is in urgent need of armoured personnel carriers, could he inform the house whether the pre-production run of 20 Bobcats has been completed, and if not what is the reason for the long delay in this program which should have reached this stage quite a long time ago?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, the development has not reached the stage where the vehicle is technically perfect, and the hon. gentleman

is just as familiar with the reasons for that as I am.

Mr. Harkness: May I ask a supplementary question. This pre-production run should have been completed some months ago. I asked the minister, what is the reason for the delay in completing the run of 20 vehicles?

Mr. Hellyer: Well, generally speaking I would say three or four years of not pressing it as quickly as might have been the case.

Hon. Paul Martineau (Pontiac-Temiscamingue): Does the minister agree that this situation is seriously interfering with the operation of our armoured brigade in Europe?

Mr. Hellyer: Yes, I think it is a quite unsatisfactory situation.

INQUIRY OF THE MINISTRY

On the orders of the day:

[*Translation*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I should like to direct a question to the Acting Prime Minister.

Could the minister tell the house whether the hon. member for St. Paul's is informally speaking for the government when he is suggesting the merger of the New Democratic party in this house with the Liberal party, since according to the hon. member, the socialist party is only a radical wing of the Liberal party?

[*Text*]

TRANS-CANADA AIR LINES

WINNIPEG MAINTENANCE BASE—STATEMENT BY PRESIDENT AS TO COST

On the orders of the day:

Hon. Leon Balcer (Three Rivers): Since the Minister of Transport is one of the privileged few who have read and reviewed carefully the Dixon-Speas report, I wonder if he could tell the house whether he agrees with the figure of $19,800,000 that has been mentioned by Mr. McGregor as the loss to T.C.A. if the maintenance base in Winnipeg is not moved to Montreal.

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, it would be quite improper for me to start disclosing the contents of the Dixon-Speas report, having refused to table it in the house for very good reason.

Mr. Balcer: May I ask a supplementary question. Is the minister going to reprimand the president of T.C.A. for doing exactly that?

[Mr. Hellyer.]

Mr. McIlraith: I trust that the hon. member for Three Rivers is referring to the earlier discussion this morning, and he will have noticed that the hon. member for Winnipeg North Centre, in raising this matter, was very careful not to indicate Mr. McGregor did that.

DOMINION-PROVINCIAL RELATIONS

PROVINCIAL PARTICIPATION IN DEVELOPMENT OF FEDERAL POLICIES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Acting Prime Minister. In view of the fluid and changing relations between the federal government and the provinces, will the provinces in future have any share whatsoever in the development of federal government monetary, tariff and transportation policies?

Hon. Lionel Chevrier (Acting Prime Minister): Mr. Speaker, I cannot recall, other than in the fiscal field, whether that matter was on the agenda, because I was not present during all the discussions; but it would seem to me that some of those matters are exclusively under the jurisdiction of the federal government, whereas others are for discussion between the two levels of government.

SUGAR

PROTECTION OF CARIBBEAN MARKETS IN MAKING NEW CONTRACTS

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I would like to direct a question to the Minister of Trade and Commerce. Recent newspaper reports have stated the government is considering the possibility of a long term sugar contract with Rhodesia. As any diversion of sugar purchases from Caribbean countries could have a serious effect upon the markets for maritime salted, pickled and smoked fish, would the minister give serious consideration to this problem before entering into any contract that would further disrupt our present salt fish markets?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I would like to assure the hon. gentleman that this kind of consideration will certainly be taken into account in any forthcoming discussions with commonwealth sugar producers. I think I should assure him, however, that I do not believe any of these discussions are likely to have the kind of adverse effects on the trade of the maritime region that he fears.

AGRICULTURE

INQUIRY AS TO ABSENCE OF MINISTER FROM HOUSE

On the orders of the day:

Mr. E. Nasserden (Rosthern): Mr. Speaker, I would like to direct a question to the Minister of Agriculture. Is it a fact that he did indeed address the Saskatchewan Liberal association in Regina city last Tuesday, November 27?

Hon. Harry W. Hays (Minister of Agriculture): Last Tuesday; that is correct.

Some hon. Members: You were sick.

Mr. Nasserden: As a supplementary question, I wonder could the minister tell us whether he was sick before he went to the meeting, or after?

Mr. Hays: Mr. Speaker, I think the day I was absent here was Wednesday, not Tuesday; and they were surely not sick after I spoke to them.

DOMINION-PROVINCIAL CONFERENCE

REPORTED CHANGES IN EQUALIZATION PAYMENTS

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a very brief preamble to my question, which is to the Acting Prime Minister. In a press release from the dominion-provincial conference last night or early this morning it is stated that the additional revenues that will accrue to the provinces are something as follows. In the case of Quebec there will be an additional equalization direct grant of $35 million and an additional $7 million in succession duties. In the case of Ontario an additional $14 million in succession duties only, with no increase in equalization payments. In the case of British Columbia there will be somewhat less than $4 million out of succession duties, and nothing from equalization payments. I wonder whether the Acting Prime Minister would care to state is this new Liberal formula of mortar for the construction of confederation on into the future?

Hon. Lionel Chevrier (Acting Prime Minister): Mr. Speaker, the preamble to the hon. member's question was unquestionably one which indicated his intention to initiate a debate. I shall not follow in that area but I would say, notwithstanding what the hon. gentleman has said, that in so far as equalization payments are concerned that has been the policy of the government, and has been announced for the last two years. There is no discrimination toward any province so far as the formula is concerned, and while I was at the conference this morning it seemed to me that with but very few exceptions there seemed to be on the part of the premiers acceptance of the formula.

Mr. T. C. Douglas (Burnaby-Coquitlam): May I ask the Acting Prime Minister why the government has departed from its own announced policy of raising the equalization formula to the level of the wealthiest province, and has brought in extraneous matters such as the consideration of natural resources?

Mr. Chevrier: I think that is a matter which is leading into debate, and I can well understand why the hon. gentleman would want to know the answer to the question. I think that should be left for a discussion of the matter, and I understand the Prime Minister will make a statement when he returns to the house on Monday.

Mr. Stuart A. Fleming (Okanagan-Revelstoke): The Acting Prime Minister has stated there were two exceptions to the rule of agreement this morning. Would he please advise the house who raised the objections and on what grounds?

Mr. Chevrier: Well, Mr. Speaker, the conference is not over yet, and it is one wherein the statements are not made public except those given to the press at the beginning or end of sessions, such as was the case last night. I do not think I should make any further statement or add to my responses to this question.

INDUSTRY

HEAVY WATER PLANT—INQUIRY AS TO GOVERNMENT DECISION

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I would like to address a question to the Minister of Industry. Could he now answer the question respecting the heavy water plant in Canada, which was directed to him through the Acting Prime Minister yesterday?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I am sure all hon. members will appreciate that the government has been preoccupied during the past week with matters of substantial national importance, and as a consequence has been unable to give proper consideration to this particular question. I would hope that very early next week a decision will be announced.

Inquiries of the Ministry

POWER

COLUMBIA RIVER—INQUIRY AS TO MEETING WITH B.C. PREMIER

On the orders of the day:

Mr. Grant Deachman (Vancouver Quadra): Mr. Speaker, I wish to address a question to the Secretary of State for External Affairs. Can he tell us whether he has availed himself of the presence of the premier of British Columbia in Ottawa this week to discuss the Columbia river treaty and, if so, were the discussions encouraging?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I have seen the premier of British Columbia three times this week. I had the pleasure of breakfasting with him early this morning, and the discussions we had were very satisfactory. We are both of the same mind in respect of discussions that should be under way very shortly with the government of the United States.

Mr. Stuart A. Fleming (Okanagan-Revelstoke): As a supplementary question, on a number of occasions it has been stated by both the Secretary of State for External Affairs and the Prime Minister that only one outstanding question remains to be resolved, the question of price. Can the minister now advise the house what other outstanding questions there are, and what resolution has been made on them?

Mr. Martin (Essex East): I think my hon. friend will understand that it would not be advisable to reveal the nature of the negotiations; but the question of price is the final matter to be determined, and the province of British Columbia and the government of Canada see eye to eye on that particular subject which is now vital in these negotiations.

Mr. Fleming (Okanagan-Revelstoke): Would the minister please advise the house how it is possible that if the question of price can be revealed, other matters must be kept secret?

Mr. Martin (Essex East): The hon. gentleman will have to trust to the good judgment of the negotiators on this matter, because I do not propose to reveal anything that would in any way disclose matters involved in negotiations; to do so might be prejudicial at this time to the interests of Canada and British Columbia.

Mr. H. W. Herridge (Kootenay West): In view of previous statements made by the Prime Minister over a period of time, would the minister give his word as a minister that the negotiations will be completed by January 1, 1964?

[Mr. Drury.]

Mr. Martin (Essex East): I am sure my hon. friend is not serious in that question. But I may say to him that the government and the minister are doing everything they possibly can to bring to a successful conclusion the negotiations that have been under way for some months.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, arising out of this discussion and the very complete answers the minister has given, I would ask him whether an opinion has been asked of the law officers of the crown regarding the question of the availability for irrigation purposes of waters from the Columbia being diverted into Saskatchewan. He has received representations from the government of that province in this connection. Has the minister looked into this question and is he assured that, on the basis of the treaty as it now is, diversion of the necessary water for irrigation purposes in Saskatchewan is possible under the treaty?

Mr. Martin (Essex East): Mr. Speaker, I am not aware that the law officers of the crown have specifically been asked for an opinion, for the simple reason that I do not think there is any doubt about the implications of article 13, part 1, of the treaty.

Mr. Diefenbaker: I gather from that answer, Mr. Speaker, that the minister, having made the usual careful study for which he is noted, has concluded there is no basis for the fears of the government of Saskatchewan that diversion would be denied them under the treaty as it now stands.

Mr. Martin (Essex East): Under the article to which I have referred it is clear that consumptive uses provide an opportunity for the irrigation to which the province of Saskatchewan feels it should be entitled under the treaty. I have given the premier of Saskatchewan my view of the implications of the treaty. If the premier does not accept that, it is of course not my responsibility.

Mr. Herridge: A supplementary question, Mr. Speaker. In view of the fact that Saskatchewan cannot take advantage of the water under this item covering consumptive uses without there being pumping on one side and the production of electrical energy on the eastern slopes of the Rockies, can the minister say whether that article meets this multi-use purpose?

Mr. Martin (Essex East): Mr. Speaker, I think the answer I have already given covers the question which my hon. friend has put so lucidly.

INCOME TAX

LIABILITY FOR AWARD TO VICTIM OF NAZI PERSECUTION

On the orders of the day:

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, I wish to direct a question to the Minister of National Revenue. Will the minister exercise that side of his nature favouring equity and arrange, by legislation or otherwise, to nullify the effect of the ruling of the tax appeal board published yesterday, which held that an award of compensation to Phillip Koller, as a persecuted Jewish person, by the district board of compensation of West Germany is subject to Canadian income tax?

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

Mr. Fairweather: I submit, Mr. Speaker, that the treatment by Canada of victims of nazi—

Mr. Speaker: Order, please. There is no dispute about the importance of the question; it is just the timing of the question that is wrong.

WORLD FAIR

REPORTED TECHNICAL DIFFICULTIES RESPECTING SITE

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 Public Works. Is it true, as indicated in *La Presse* of Montreal, that the world exhibition authorities are thinking of changing the site's plans following unforeseen difficulties concerning the filling up of St. Helen and Notre Dame islands?

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, I am aware of the report published in *La Presse*, which refers to a statement made by Mr. Lucien Saulnier. I am not in a position to confirm or deny any of the facts contained in it. My hon. friend will understand that, before saying anything on the matter, I shall have to get an official report.

Now I must say that the city of Montreal authorities are responsible for the completion of the site before June 30, 1964, and even if it were true that part of the original plans would have to be altered in the course of the work, I am convinced that this will not prevent the fair from taking place on the St. Helen's complex and to be a great success.

Mr. Pigeon: A supplementary question, Mr. Speaker. If major or minor changes are brought forth, must the fair authorities submit such changes to the bureau of international exhibitions?

Mr. Deschatelets: Mr. Speaker, I have no direct means of communication with the authorities of the city of Montreal, but following the information conveyed to me and published in the newspapers, I will surely request the commissioner of the exhibition to report to me on the situation.

[*Text*]

REQUEST FOR APPOINTMENT OF LIAISON OFFICER

On the orders of the day:

[*Translation*]

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, the Minister of Public Works has clearly shown this morning that he was badly informed about the situation in Montreal, as far as the world fair is concerned.

Mr. Speaker: Order, order, please. Be kind enough to formulate your question.

Mr. Grafftey: My question stems from that lack of information.

Did not the government appoint a liaison officer in order to be informed as quickly as possible of what is going on in Montreal as far as the world fair is concerned?

Mr. Deschatelets: Mr. Speaker, of course I do not accept the premises of the question of my hon. friend. I said a while ago that I would always refuse to comment on a statement before having an official and complete report. If I did otherwise, I think that my hon. friend would be the first one to blame me.

Mr. Grafftey: Correct.

Mr. Deschatelets: As far as the appointment of a liaison officer is concerned, I can say that for the time being I myself am this liaison officer. This aspect of reorganization will be considered later, but as soon as a liaison officer is appointed, if it is necessary, the house will be informed.

[*Text*]

HOUSING

SASKATOON—ANNOUNCEMENT WITH RESPECT TO WINTER CONSTRUCTION BONUS

On the orders of the day:

Hon. J. R. Garland (Minister of National Revenue): Mr. Speaker, yesterday the hon. member for Yorkton asked a question as to the regulations in connection with the winter house building incentive program. While the conditions as to eligibility referred to by the hon. member come under the jurisdiction of the Department of Labour, the function of Central Mortgage and Housing Corporation is primarily one of inspection in connection with

this matter. I thought I should make a short statement in reply today, because the inspection will be taking place this week end. I would advise the hon. member that the conditions of eligibility stipulate that to provide the maximum employment during the winter months, construction must not proceed beyond the first floor joist stage prior to December 1, 1963. To provide for the processing of applications and the undertaking of the necessary on-site inspections by that date, applicants have been requested to mail their applications to the Department of Labour by November 10. I am advised that this date was selected to encourage the submission of applications well before November 30.

Applications can, of course, be submitted after November 10, and it may be of interest to the hon. member as well as to other members of the house to learn that up to November 10, some 19,000 applications were received. Since that time an additional 5,000 applications have reached the Department of Labour. I am happy to report that all applications to date have been processed and every effort will be made by the staff of Central Mortgage and Housing Corporation to inspect all these houses this week end.

Any applications received after December 1 will also be accepted. Construction, however, in these cases should not exceed the first floor joist stage before an inspection has been arranged and an applicant informed of the result of this inspection. The Department of Labour is asking that applications be mailed at least 15 days prior to the date on which an inspection is desired.

Mr. Arnold Peters (Timiskaming): A supplementary question, Mr. Speaker. Can the minister inform the house whether there is any unreasonable delay in the inspections, or does it appear that the department has enough inspectors to carry out these inspections quite speedily?

Mr. Garland: Mr. Speaker, I do not know whether I heard the hon. member correctly, but inspection is not to take place until this week end, and it will take place at that time.

PUBLIC SERVICE

ALLEGED DISCRIMINATION AGAINST FRENCH SPEAKING UNIVERSITY GRADUATES

On the orders of the day:

[*Translation*]

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, I have a question for the Secretary of State. Has the Secretary of State taken steps to set right the situation revealed in a collective letter to the newspapers, signed by eight federal civil servants and denouncing the treatment of French speaking university graduates, who are deprived of their rightful positions in favour of English speaking candidates who never went beyond high school?

[*Text*]

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I am not familiar with the subject, but I will look at the hon. gentleman's question and answer it at the first opportunity.

PENSIONS

REQUEST FOR ASSURANCE OF LEGISLATION NEXT SESSION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question either to the Acting Prime Minister or the Minister of National Health and Welfare. Can the government give to the House of Commons the assurance which the Prime Minister is reported as having given to the press, that legislation respecting the Canada pension plan will be presented to parliament at the next session?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Mr. Speaker, I thought I had given that assurance as warmly, as vehemently, as categorically as I could on a previous occasion.

Mr. Knowles: Would the Minister of National Health and Welfare take this opportunity, having regard to yesterday's sessions of the federal-provincial conference, to confirm that assurance?

PUBLIC BUILDINGS

REPRESENTATIONS FROM HULL RESPECTING FEDERAL BUILDINGS

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): My question is directed to the Minister of Public Works.

Following many articles published in the Ottawa newspaper *Le Droit* by Mr. Gerard Morin, did the minister receive the brief prepared by the city of Hull requesting federal buildings, and does he intend to take action?

Hon. J. P. Deschatelets (Minister of Public Works): The matter is under study, Mr. Speaker.

[*Text*]

SUPPLY

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

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

INTERIM SUPPLY

Mr. Pickersgill (for Mr. Gordon) moved:

Resolved, that a sum not exceeding $377,400,841.02, being the aggregate of—

(a) one-twelfth of the total of the amounts of the items set forth in the main estimates for the fiscal year ending March 31, 1964, laid before the House of Commons at the present session of parliament, except agriculture item 100, atomic energy item 5, external affairs items 78 and 107, fisheries item 45, mines and technical surveys items 45 and 80, northern affairs and national resources items 5 and 10, public works items 20 and 190, transport item 35 and loans, investments and advances item L20 for which no amount is being released, $318,822,963.00;

(b) an additional two-twelfths of external affairs item 105 and finance item 45, $4,700,000.00;

(c) an additional one-twelfth of mines and technical surveys item 140, national film board item 1, northern affairs and national resources item 80, post office items 5, 10 and 15, public works items 150 and 165, transport items 40 and 220, loans, investments and advances item L70, $21,342,422.50;

(d) one-twelfth of the total of the amounts of the items set forth in the supplementary estimates (A) for the fiscal year ending March 31, 1964, laid before the House of Commons at the present session of parliament, except external affairs items 96a and 117a, finance item 5a, northern affairs and national resources item 110a, and loans, investments and advances items L13a and L63a for which no amount is being released, $24,023,455.00;

(e) an additional one-twelfth of finance item 45a, $83,333.34;

(f) one-twelfth of the amount of the item set forth in the supplementary estimates (B) for the fiscal year ending March 31, 1964, laid before the House of Commons at the present session of parliament, $583,333.34;

(g) one-twelfth of the amount of item set forth in the supplementary estimates (C) for the fiscal year ending March 31, 1964, laid before the House of Commons at the present session of parliament, $1,666,666.67;

(h) one-twelfth of the amounts of the items set forth in the supplementary estimates (D) for the fiscal year ending March 31, 1964, laid before the House of Commons at the present session of parliament, except external affairs item 117d for which no amount is being released, $6,178,667.17;

be granted to Her Majesty on account of the fiscal year ending March 31, 1964.

He said: Mr. Chairman, I think everyone in the committee knows that the Minister of Finance had to be at the conference this afternoon, and he has asked me, in the formal sense, to substitute for him. If any hon. member is bold enough to wish to ask any questions of substance I hope he will direct them to the Acting Minister of Finance, who is much more expert in this matter than I. I hope in fact there will be a minimum of questions asked, and I say that for two reasons, which I will put to the committee in, I hope, a friendly and uncontentious spirit. The government has endeavoured during the session, and intends to go on endeavouring as rapidly as time will permit, to bring all departments before the committee of supply so there will be other opportunities for dealing with practically any subject that anyone might wish to bring up. The second reason is that I think all of us are conscious of the fact that this is the last sitting day in November, that it is the 99th day of this session, and—

Mr. Nowlan: No, it is the 100th.

Mr. Pickersgill: Yes, I was looking at yesterday's *Votes and Proceedings*. It is the 100th day of the session, and I thank the hon. member for Digby-Annapolis-Kings for supporting me in what I am about to say. I think all of us would like to go home for Christmas feeling that this session had been completed. It will be the endeavour of the government to secure every co-operation and to meet every desire of every hon. member opposite in all quarters of the house, as well as the government's supporters as well, to get the business done in an orderly fashion as quickly as possible. I am therefore appealing to all hon. members to give us this other month's supply. We are asking only for supply until the end of December, because we hope and expect, and I think all hon. members expect, that all the estimates will have been voted before the end of December.

I could go on and explain in detail what is contained in the bill, but I can assure hon. members that in no case is the government asking for the full amount of any vote. Therefore none of the ordinary rights of the committee of supply is denied or will be denied in any way by this bill. Unless I am specially asked to do so I do not intend to deal with the items for which more than one twelfth is asked. I think all hon. members know that some expenditures do not go on at an even pace throughout the year and more than one twelfth has to be asked for. I am prepared to give information on any of these if any hon. member wishes, but I think the matter is all very familiar to the committee, so I shall at once take my seat.

Mr. Nowlan: Might I ask the Secretary of State, without his going through the usual wording, to give on behalf of the government the usual undertaking which every minister of finance gives when interim supply is asked for, that no debate will be precluded? In other words, the usual formal undertaking is being given by the Secretary of State?

Mr. Pickersgill: Perhaps I did not give it in the usual language. I was trying to give it from memory, but I do give the undertaking that the full amount of no vote has been asked for, or is being asked for by the bill now proposed.

Mr. Nowlan: And no debate will be precluded because of any discussion which might take place.

Mr. Pickersgill: No debate will be and no debate can be. But I do not mind expressing the hope that some of the debate will be abbreviated.

Mr. Nowlan: Then in view of the plaintive plea which has just been made by the Secretary of State I will make my remarks very abbreviated indeed. I cannot help but recall that it was just a little short of one year ago, I think one year less a week, when I had the responsibility of sitting in another seat and asking this committee for interim supply.

Mr. Knowles: And you gave the same assurance.

Mr. Nowlan: I gave the same assurance, but the committee did not give me the co-operation I asked for and for which the Secretary of State is asking this afternoon. In fact I recall that we were six or seven days discussing the matter before we got one month's interim supply. Actually it was seven days, I am told.

The Secretary of State's eyesight appears to be not entirely effective, because he thought this was only the 99th day of the session. He might be trying to save a day, and I can understand that. But actually it is the 100th day and this is the ninth month, and the government is again asking for one month's supply. The record—and if we had one it could be played over and over again—tells the story of inefficiency of a government coming along in the ninth month of the fiscal year and asking for interim supply. I am sure the echoes are still resounding around the top of the chamber somewhere and I could bring them down here, but I am not going to do so. We were told a year ago that we should have followed this government's example; that we did not assemble immediately after the election; that we took off 60 days or two months during the summer when we could have been sitting here, and if we had not taken that time off we would have had no problem with respect to interim supply.

Now, Mr. Chairman, you remember what happened on this occasion. There was no delay. The ink on the writs was hardly dry and the writs hardly tabled by the returning officer before parliament had reassembled in May for the first 60 days of indecision. We have had indecision ever since, and we are facing it now.

I could go on and on but I will yield to the pleas of the Secretary of State and will not make any extended remarks this afternoon.

We are in the ninth month of interim supply now. I hope, with the Secretary of State, that before this interim supply expires the committee will have passed the estimates and we shall not need any further interim supply. I can say that from the heart, because I had the same wish last year. It was denied to me. I hope it will not be denied to the Secretary of State, because this time we have an opposition which is co-operating fully with the government in every way.

Some hon. Members: Hear, hear.

Mr. Nowlan: I appreciate that there is unanimous acceptance of that fact in all corners of the house. I can assure the hon. gentleman that as far as the opposition are concerned we shall continue to give the same degree of co-operation as we have shown so far. I hope that before Santa Claus comes climbing down the chimney we shall have passed all the estimates of the various departments.

Mr. Douglas: Mr. Chairman, the members of this party are naturally influenced by the conciliatory mood of the Secretary of State, and we shall co-operate in seeing that this interim supply measure is passed as expeditiously as possible. However, there are one or two things which I think ought to be said on this occasion.

During this week the federal-provincial conference has been meeting here in Ottawa. It was hailed in some quarters as the most important federal-provincial conference since confederation. Personally I would doubt that. I think something like that is said almost every ten years about one or other of these conferences. However, there is no doubt this has been an important conference, particularly in view of some of the statements which were made before it opened. I think its deliberations and what might emanate from them could have far reaching implications for Canada.

The New Democratic party was probably the first party in Canada to devise a program called co-operative federalism which we incorporated in our founding program statement in 1961. Whether we were the first or not, we certainly did enunciate a program for co-operative federalism. I wish to say something about our views on co-operative federalism. To me it means working together to make our federal system work, not for one province or for one region but for all Canadians. It does not mean looking upon Canada as a loose federation of autonomous provinces held together by a central government bereft of legislative or fiscal confidence. I do not think the people of this country look upon themselves primarily as Quebecers, Nova Scotians, British Columbians and so on. They look upon themselves first and foremost as

Canadians. They look upon a federal-provincial conference as a meeting of Canadian leaders representing Canadian provinces and concerned with the problems of the Canadian people.

The purpose of such a conference should be to set national goals and, having done so, to co-operate in working for their attainment. This cannot be done by fragmenting Canada into semi-autonomous states, nor by reducing the powers of the federal government to the point where it has little to do except collect taxes and excise duties and run the post office. The New Democratic party believes Canada is more than the sum total of its parts. Economically we are an organic unit striving to achieve a Canadian identity and Canadian unity. I do not think the people of Canada want this country balkanized according to provincial boundaries or geographical locations.

Mr. Pickersgill: Would the hon. gentleman permit me to ask a question? Is it not true that at the convention of his party they adopted the idea of the two nations?

Mr. Douglas: If the Secretary of State would possess himself in patience I will deal with that in a few moments. I have all the time in the world, if he has, so we could continue this debate indefinitely.

Mr. Pickersgill: I regret already having asked that question.

Mr. Douglas: I was trying to expedite the matter, but I will certainly deal with this at greater length when I come to the question of the two nations.

Mr. Pickersgill: I withdraw the question.

Mr. Douglas: The Secretary of State usually gets the estimates through in spite of himself. I was saying, when I was unnecessarily interrupted, that I did not think the Canadian people want to see this country balkanized according to provincial boundaries or geographical regions. They want their provincial governments to have the revenues necessary to discharge their constitutional responsibilities; but equally they want a federal government with legislative authority and fiscal capacity to promote economic growth, full employment and equality of opportunity for every Canadian irrespective of where he may live.

The whole trend of our times is toward greater economic co-operation among states, even among nations which have been bitter enemies for centuries and which in the past have gloried in their absolute national sovereignty. In the European economic community six nations are not only integrating their economies but are moving toward the free movement of people across national boundaries and the establishment of uniform, portable social security benefits. It would be ironic indeed if at the very time when Europe is welding its economies into an efficient unit, we in Canada were to splinter this country into ten economically weak fragments.

If Canadians are to enjoy prosperity, full employment and adequate social security, our economy must continue to expand.

Mr. Nielsen: Would the hon. member permit a question?

Mr. Douglas: Perhaps it could be asked later.

Mr. Nielsen: Mr. Chairman—

Mr. Douglas: I said no. I have the floor. Would the hon. member sit down? I do not intend to be interrupted.

Mr. Nielsen: On a point of order—

The Chairman: The hon. member is rising on a point of order.

Mr. Nielsen: Would the hon. gentleman identify the document from which he is reading?

Mr. Douglas: That is not a point of order. I am reading from some notes on this subject. If that is the most profound observation the hon. member for Yukon can make on this serious subject I think he had better remain silent.

Our economy will only expand if we can compete in the markets of the world with such industrial giants as the United States, Great Britain, West Germany and Japan. We cannot meet this type of competition by a process of fragmentation. We can only grow if we are unified into a strong economic entity with a deep seated sense of national purpose and capable of making national decisions.

I am not urging more centralization, but I am pleading for a federal system in which there will be more co-operative planning at the federal and provincial levels directed toward objectives which are worthy of Canada. Demagogic appeals to local self-interest may be popular for a time, but I do not think they will commend themselves to the Canadian people as a whole. What will it profit this country if one or two areas prosper while others languish in economic decay? A chain is only as strong as its weakest link and confederation is only as strong as its weakest member. If Canada is to grow and prosper it must do so as a unit. Having poor relations may give one a feeling of superiority but it never leads to lasting friendship. If Canada is to go forward it must go forward as one people, with two languages—

Mr. Nielsen: Mr. Chairman, I rise on a point of order. I have been watching the hon. member since he started his speech and he has been reading all of it, except for the interjection by the Secretary of State. I refer you, sir, to citation 144 of Beauchesne, which states that the rule of this house prevents a member reading his speech because it may have been written by somebody else. I think if the rules are going to be applied, they should be applied to the hon. gentleman.

Some hon. Members: Shame.

Mr. Douglas: Mr. Chairman, if I may proceed—

Mr. Nielsen: May I have a ruling on my point of order, Mr. Chairman?

Mr. Pickersgill: Before Your Honour rules, may I say that I hope the usual courtesies that have normally been extended in this house will be extended to the hon. member for Burnaby-Coquitlam?

Mr. Douglas: I was trying to save the time of the house by keeping fairly close to notes rather than making a rambling speech. I am therefore confining myself fairly close to my manuscript. I shall be glad to throw it away and take all the time necessary, if that is what the committee wants done.

I simply say if Canada is to go forward she must go forward as one people; with two languages and two cultures and proud of our diversity, but united as to our ideals and objectives. Nothing that I have said about unity in economic affairs precludes the fullest development of bilingualism and biculturalism. Before I go to the point which was raised by the Secretary of State, in the view of the New Democratic party Canada is composed of people from many lands. Our constitution recognizes two official languages and two cultures stemming from the two nations which came together to form the partnership of confederation.

If those of us who are English speaking Canadians have not always lived up to the spirit of that partnership, then we must reexamine our actions and mend our ways. I think we are doing that today more seriously than we have ever done it since 1867. I want to make it perfectly clear to the Secretary of State that talking about an economic entity is one thing and talking about binationalism and biculturalism is a totally different thing. We are talking in one field in economic terms and in the other about social relationships and cultural areas of living.

[*Translation*]

Mr. Pickersgill: That is something I understand.

Mr. Knowles: That is very kind of you.

[*Text*]

Mr. Douglas: I am not suggesting, Mr. Chairman, that the provinces do not need more revenues to carry out the responsibilities allocated to them under the British North America Act. On the contrary, I believe the provincial governments have an unanswerable case for a larger share of the direct taxes, particularly income taxes and corporation taxes. At the present time the provinces are getting about one fifth of the revenue from the three shared tax fields. It seems to me that the request for 25 per cent of the income tax revenue and 25 per cent of the corporation tax revenue is reasonable. Most of the provinces will undoubtedly spend this money, if they get it, on education, because their municipalities simply cannot hope to meet the increasing costs of education as they are at the present time and as they are anticipated over the next ten years.

However, Mr. Chairman, it is a totally different thing to talk about a larger portion of the shared tax fields for the provinces and to talk, as some have done, about the federal government being asked to vacate the present tax field entirely and leave each of the provinces to fend for itself. Some provinces might do well, although even that is doubtful in time of economic recession. There are provinces which would suffer very greatly. We must keep in mind the difference in tax potential as it obtains among the respective provinces. It is estimated today that to raise $10 per capita of its population, the province of Ontario would require to increase the income tax rate by 6 per cent; Newfoundland would require an increase of 23 per cent and the province of Prince Edward Island an increase of 31 per cent.

Now, surely one of the functions of the federal government is to equalize opportunities among the various regions of Canada so as to guarantee a minimum standard of health, welfare and educational services for every Canadian irrespective of geographical location. It should be remembered, Mr. Chairman, that the money collected in taxes in any one province was not necessarily earned in that province. We have banks, insurance companies, railways and large corporations like oil companies which make their money all across Canada but pay their taxes in the province where their head office is located. Much of the income on which they pay this tax was earned in various parts of Canada. Those parts of Canada where the wealth was actually produced are entitled to some share of that revenue.

The same thing is true with regard to succession duties. When succession duties are levied, they are levied in the province where the deceased passed away and the will is

probated. However, the deceased may have moved there only recently after his retirement, and the estate on which the heirs are paying succession duty may have been earned in many parts of Canada or may have been earned entirely in some other province of Canada.

The whole basis of confederation was the assumption by Canada of a responsibility for the less industrialized areas. The maritimes came into confederation with the understanding that their particular situation would be recognized and appreciated. For nearly 100 years it has been national policy in this country to develop the great central industrial heartland of Canada by means of subventions, freight subsidies and a whole variety of programs. I am not complaining about that at this particular time. I am simply saying that if national policies have made some parts of Canada more prosperous than others, then it is the function and responsibility of the federal government to redistribute some of the tax revenues collected in the wealthier provinces, much of which may have been earned in other parts of this country.

Now, Mr. Chairman, I do not think anyone in this house needs to argue for the principle of equalization. It is a principle that has been accepted by all parties quite fully, and the present government has made its position clear in a great many cases. I could give many illustrations, but let me refer to my favourite book and my favourite author, "The Liberal Party" by J. W. Pickersgill. On page 133 of this book which sets forth the Liberal program it says:

We do believe, however—

I am sorry; I have got the wrong page.

An hon. Member: And the wrong book.

Mr. Douglas: I have got the right book. The page is 125, and it says:

At the national Liberal convention of 1958 the party pledged itself to alter the basis of equalization payments so that revenues of all provinces from income taxes and succession duties would be brought up to the level of the province having the highest per capita revenue. This principle was reaffirmed at the national Liberal rally in 1961.

I will not take the time of the committee to quote the statements of the Prime Minister as they have appeared in *Hansard* from time to time. I need only refer to his opening statement at the federal-provincial conference this week when he said, according to the text which was circulated:

It is well known that my colleagues and I prefer to see equalization paid up to the level not of the average of all the provinces, as parliament enacted in 1961, but up to the level of the highest.

In my opinion the government was perfectly sound in suggesting its original proposal that the best equalization formula would have been to equalize the three tax fields, income tax, corporation tax and succession duties, up to the per capita level of the highest province. That would be a fair system of equalization, and what I hope the government will explain is why it has now departed from a principle which it enunciated in the House of Commons, which the Secretary of State enunciated in his book "The Liberal Party", which it passed at its convention, and which the Prime Minister himself referred to the other day in his opening speech to the conference. Why has the government departed from this and introduced a formula which detracts from equalization?

First of all it suggests equalizing income and corporation taxes up to the level of the average of the two highest provinces. Second it introduces a factor of income from natural resources. Why natural resources? If we are taking into consideration the other tax revenue sources of the provinces, why not include all other sources of taxation? But more serious still is the fact that the government has introduced another factor into the formula. The government is now going to raise the share which the provinces can get of the succession duties from 50 per cent to 75 per cent, but this additional revenue is not to be included when computing the equalizing payments. I hope the government will tell us why it has discarded the formula to which it was pledged, a formula which was reasonable, fair and just, and has instead adopted a formula which is a departure from the principle of equalization. It is not because of the cost involved. To have raised the equalization payments for the three tax fields to that of the wealthiest province on a per capita basis would have cost the federal government about $90 million. The formula which is now being placed before the provinces by the Prime Minister will cost about $87.5 million. Therefore it is not a matter of cost.

I say that this new formula is a rigged formula. There is some reason that the government has decided to load the dice, and I want to know who twisted the government's arm. I want to know who it is we are trying to curry favour with, at the expense of the whole principle of equalization. Let me just put on the record the additional revenues which will come to the provinces as a result of this new equalization formula. I will give them in round figures, and I believe they are reasonably accurate. They are Newfoundland $3,282,000; Prince Edward Island $599,000; Nova Scotia $5,742,000; New Brunswick $5,558,000; Quebec $42,716,000;

Ontario $14,416,000; Manitoba $7,023,000; Saskatchewan $2,469,000; Alberta $1,722,000; British Columbia $3,921,000.

When this is put on a per capita basis, this is the additional revenue which the provinces will get under this new formula: Newfoundland $6.83; Prince Edward Island $5.60; Nova Scotia $7.60; New Brunswick $9.05; Quebec $7.81; Ontario $2.24; Manitoba $7.39; Saskatchewan $2.65; Alberta $1.23; British Columbia $2.31.

I say, as one who has long advocated an equalization formula that will help to offset the disadvantages under which some provinces labour, I have always been pleased at the position which the government took with reference to equalization. I was delighted when I read the Prime Minister's statement of last Tuesday when he said:

> It is well known that my colleagues and I prefer to see equalization paid up to the level not of the average of all the provinces, as parliament enacted in 1961, but up to the level of the highest.

I cannot help but wonder what has happened between last Tuesday and today. The government, very apparently, has tossed over in part the principle of equalization and has worked out a formula which I can only describe as based on expediency, in order to secure the support of certain parts of this country.

Mr. Winkler: Would the hon. member permit a question?

Mr. Douglas: Yes.

Mr. Winkler: Would he agree that the new formula could be that it is more blessed to give than to receive if the government comes out with the most votes?

Mr. Douglas: I am not trying to read the government's mind. I am simply endeavouring to point out that a very solemn pledge made to the people of Canada has been broken, and that the government has now set its feet along the path away from the principle of equalization.

I have read the debates which took place in the house following the tax sharing arrangements of 1961, in which the previous administration was criticized by the Liberals because it was alleged it had departed in some measure from the principle of equalization. It was at that time, and I can give hon. members the date—June 2, 1958—that the Prime Minister, then the leader of the opposition, stated in clear and categorical terms what the Liberal party would do in establishing a fair and just equalization formula. I am simply rising for the purpose of saying that this equalization formula has been discarded and a new one based on expediency is apparently going to take its place.

Having made these remarks about the needs of the provincial governments for increased revenue; having given the unqualified support of this party to equalization, and a fair and just principle of equalization, I say the federal government must have, in our opinion, the fiscal capacity to meet any economic fluctuations which this country may experience. The ability to increase taxes in times of inflation and to reduce them in times of deflation in order to stimulate the economy, is a power which the federal government must have. The federal government must have the power to direct investment, to direct both private and social capital into underdeveloped areas and into surplus labour areas at any time the need arises. It must have the capacity to direct resource development capital into those areas that have not been able to attract private capital for that purpose.

To this end we in this party support the idea of the federal government retaining its fiscal powers. We reject any suggestion that the federal government should be asked to vacate the direct tax field. We also—

The Chairman: I hesitate to interrupt the hon. member but I must inform him that his time has expired.

Mr. Pickersgill: Mr. Chairman, I have the feeling that the hon. gentleman has almost completed his remarks. Perhaps the committee would agree to the hon. gentleman finishing what he has to say.

Mr. Douglas: I think I can complete my remarks in about three minutes, Mr. Chairman, if I may have the indulgence of the committee.

The Chairman: Does the committee agree to the hon. member continuing?

Some hon. Members: Agreed.

Mr. Douglas: The last point I wish to make is this. I believe the federal government must also have the legislative authority to provide certain social security measures where uniformity and portability are necessary. I have in mind particularly such things as unemployment insurance, which we already have, the Canada pension plan and other programs which will undoubtedly arise in the future. A great many plans can and should be worked out in conjunction with the provinces. I agree with the provinces which asked the government at this week's conference to move steadily from conditional grants to unconditional grants. I think there is need for more flexibility in these grants, and that grants should be given for health, for welfare, for technical education, and we should allow the provinces to decide the best way in which these grants can be spent within their particular areas of

responsibility. But after we have worked out all the programs we can on a joint federal-provincial basis, there will always be a need for Canada-wide programs. In these days of mobility of labour there are programs which need to be country-wide in scope. I hope the federal government will retain its right to carry on such programs in the interests of all the people of Canada.

There are many other things which one would like to say on this matter of federal-provincial relations, particularly with reference to the announcement of the offer which the government has made to the provinces under the tax sharing arrangements. I hope the Prime Minister will arrange for a debate at an early date so he can explain to the house the offer he has made to the provinces, why it has been made, and why the government has departed from the original equalization formula which it espoused. I think such a debate would be useful. I hope it will be held soon. I express the hope of this party that out of the federal-provincial conference and the meetings which will subsequently follow, this country will go forward as a united and unified Canada.

Mr. Munro: Mr. Chairman, I wonder whether I could ask the hon. member a question.

The Chairman: Order. The hon. member's time had expired. The hon. member for Hamilton East cannot ask a question unless there is the unanimous consent of the committee. Does the committee give unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

The Chairman: I hear dissenting voices; therefore I recognize the hon. member for Quebec-Montmorency.

[*Translation*]

Mr. Marcoux: Mr. Chairman, without taking too much time, I should like to make a few comments following the speech made by the hon. member for Burnaby-Coquitlam (Mr. Douglas).

In spite of what he said, I do not think everybody in Canada has the same conception of Canadian federalism and also of the authority and autonomy of the provinces.

Personally, I believe that confederation resulted from an agreement reached between different provinces to achieve a common goal. It was not a question of losing an identity which already existed, but simply of working together to succeed in doing certain things which the provinces could not have accomplished individually.

Obviously, the hon. member for Burnaby-Coquitlam is angry at himself for preaching centralization but, while refusing to accept it, he is advocating measures of an increasingly centralizing nature.

While almost all the component parts of confederation are now in favour of decentralization, because the common good to which we attach the greatest importance is the one closest to us, the hon. member for Burnaby-Coquitlam would like the federal government to take much more vigorous stands in many fields which, normally, should be none of its concern.

As an example, he referred to the European countries which set up the European economic community. The example is a good one in a way, as long as it is realized that the European economic community will be strong to the extent that each of its members is strong. That is why, when France, England or Germany are economically strengthened, it gives the whole community much greater strength.

By the same token, when the hon. member claims that the tax capacity should be adequate to enable the federal government to carry out any activity it would like to carry out, I say to him that the capacity to pay of the whole country can be no greater than the capacity to pay of each of the parts which make up that country. That is why Social Credit always criticized our present economic system under which no matter where the taxation system is placed, no matter the priority given to the central government, the provincial government or the municipal government, we will always be facing the same problem which is to pay interests and carry a debt that we cannot carry any more than the federal government itself.

We know for instance that last year, the national debt went up by some $760 million and that at the same time, the federal government had to pay close to $800 million in interests on the debt.

We wonder where is the deficit and why the government cannot make progress in the economic field. Well, one does not have to do much searching, because the figures released in the public accounts of Canada are so clear and so obvious that they enable us to readily realize where the problem lies and why the government cannot meet its obligations. It is not because the provinces want too much, not because the municipalities want too much, not because the federal government wants too much, but rather because our present economic system is wrong and neither planning nor centralization nor any of the other proposals put forward by the hon. member could settle that.

That is a typically and purely economic problem. Of course, to that economic problem,

a linguistic problem and a cultural problem have been added, which make matters worse and harden positions on both sides.

When the provinces got together to create what was called confederation, they did so in order to help each other in fields where it was better to stand united than divided. However, we find ourselves today in a situation against which the province of Quebec was no doubt the first to react. For political reasons of course, in a very large measure, following the people's awakening, the province of Quebec found out that it had to be the master of its own future, while remaining part of an association of provinces, but that if it could not do what it was meant to do, it had to ask the federal government to do it. Various provinces decided afterwards to adopt more or less the same stand as the province of Quebec.

To my mind, Mr. Chairman, a strong confederation means strong provinces, not weak provinces which weaken themselves in order to strengthen the central government.

The solution does not lie there. The provinces should be allowed to be strong, to meet their obligations in the fields which are theirs according to the constitution, fields which are dear to them, because they were granted to them by the constitution and, because at the time of their union, they insisted that some matters fall under the jurisdiction of the provinces, while others could come under that of the central government.

Of course, there has been talk of an equalization system. There again, since what took place was the free founding of a free association of free provinces, I think the provinces should find among themselves a solution to the equalization problem.

I do not think that it belongs to the federal government to impose an equalization system. The first system was bad; if the system we have now or which was suggested recently is based on political expediency, as alleged by the hon. member for Burnaby-Coquitlam, that does not mean that everything must always be subject to the decision of the federal government. Let the provinces establish between themselves an adequate equalization system in order to bring about a balanced economy in this country.

One must not be selfish, want everything for oneself and give nothing to others. We must work in very close co-operation. If the contacts between the various provinces are more and more frequent, I am convinced that co-operation will develop accordingly. What people want is not only to be able to carry out in their own areas the functions which are properly theirs, but also that the other provinces be permitted to do the same.

[Mr. Marcoux.]

Mention was made a moment ago of the maritime provinces. I visited these provinces many times. They are rather handicapped economically, and this because of political discrimination, because unfortunately, we have always been led by partisan considerations since the very first years of confederation.

When the government took decisions, it was in terms of the votes it could get in order to stay in power and rule.

That is why certain areas known as being easy to rally over to the government have always been politically ignored.

The other day, when we heard the government say they had decided to confirm the decision taken by T.C.A. with respect to the DC-9 again we saw there a decision that was probably taken because it was advisable from the political standpoint. It was also the same thing when the hon. members from Winnipeg—there are several of them—insisted that the maintenance base in Winnipeg should remain there.

Well, in my opinion, that was granted, as I say, for political purposes, because the province of Manitoba was not to be hurt since she was needed, and also because it had been realized that after the settlement of any situation, people in the province of Quebec are always good fellows and eventually come around.

Mr. Chairman, I must say that if in several parts of Canada the Canadair problem was associated with the Caravelle aircraft, it was not a matter of language nor a racial issue, but a matter of unemployment which is more serious in the province of Quebec than elsewhere, while—by a strange coincidence—when we talk of poor provinces, other provinces than that one are mentioned. In short, that was the point at issue much more than anything else.

I can assure you that if the DC-9 had been built in Montreal at the same conditions as the Caravelle would have been, the people in the province of Quebec would have favoured the DC-9, because the building of that aircraft would have helped to stem unemployment in Quebec.

Once more, it is not at all a matter of security or efficiency of that aircraft.

Naturally, like the rest of Canada, the province of Quebec will readily acknowledge the superiority of the other aircraft if it proves to be better as far as security, efficiency and economy are concerned. The people of Quebec are not more stupid than their fellow citizens.

However, no justification has been given to anyone. No one has agreed to say why the experts chose the DC-9 instead of another aircraft. That is why no one can state any

definite reason because both T.C.A. and the government have refused to give any explanation. It is well known that the parliamentary committee which considers the budgets and financial statements of the C.N.R. and T.C.A. has never been able to secure from the respective presidents of those two corporations any explanation of the reasons which motivated previous decisions.

In fact, I challenge the committee to try to draw from the president of Trans-Canada Air Lines the true reasons why he accepted the DC-9 rather than the Caravelle aircraft.

Now I am telling you, that if technical, economic and security reasons favour the DC-9 rather than the other aircraft, the Quebecers will be the first to accept this decision, if the reasons are obvious, the difference between the two aircraft is appreciable, and if it is, moreover, proved that Trans-Canada Air Lines arrived at the best possible decision.

That, Mr. Chairman, was simply to explain what I was saying a few moments ago. If confederation has reached this point today, the respective governments, provincial as well as federal must take the blame. The federal government is not the only one to deserve blame, nor are the provincial governments; they all made the same mistake of playing at politics; and whereas they all were elected to represent the people's interests, they hastened, as soon as they were put in power, to safeguard their own political and the financial interests.

As long as the problem of the economic situation is not solved, I fully believe that it is mere illusion to think that we can settle the tax problem.

When there is a question of moving the taxation basis, of dividing the federal government pie, in order to increase or decrease the quota of each province, we have a good time and give our voters and the provincial premiers a good time because we are giving them some hope. But, the problem indeed remains; our liabilities will always by far exceed our means, and we will have to pay interests exceeding our income. Whether there are 10 isolated units or a single one it will still be "You-know-who", who will have to pay for the breakage, and who will indeed have to tighten his belt. Whether it is for the federal government or the provincial or municipal governments, the one to suffer will be the worker, the small wage earner.

As usual, those who suffer hardship in depressions, as a result of our governments having failed to take this problem seriously, are those same small wage earners, who become the leaven of revolutions, which brings about conditions like those we have seen in colonial countries in the last few years, and which may also develop here. For we are now in a colonial country; we are "colonized" by high finance, by people without soul, who have forgotten every Christian principle. It will therefore be absolutely impossible to find a solution for the present situation, if the problem remains unchanged.

I will stop here, Mr. Chairman. I merely wanted to express my opinion and, perhaps, that of my colleagues on confederation. Indeed, confederation will be strong inasmuch as each of its components is strong and inasmuch as it can play the role which was entrusted to it by the provinces when they endorsed the principles set out in the British North America Act. When the provinces have obtained satisfaction, they will renew with the federal government their acceptance of their role. Then will we have co-operation between the provinces and especially between the two great races which form Canada. Then, in my opinion, we will be justified to say that we have reduced tension in our country as we wish to reduce it in the world.

Mr. Caouette: Mr. Chairman, at a time when federal-provincial relations on fiscal matters are being discussed in Ottawa, we hear statements in the house about the fiscal policy and the existence of two cultures, of two languages which make up the very basis of our country.

We also heard about centralization, and when the hon. member for Burnaby-Coquitlam (Mr. Douglas) suggests, for instance, that the federal government should not withdraw from the taxation field with regard to health, he should go further and include the fields of social security, education, highways, in short, all other fields in which the provinces are playing a prominent part at present.

Mr. Chairman, it is not through centralization that we shall attain the highest standard of emancipation, either cultural, personal or individual, in Canada.

The federal government controls fields of taxation that properly belong to provincial governments. In the last few days, that is, since Tuesday, all provincial premiers are in Ottawa conferring with representatives of the federal government. Discussions are being held on fiscal matters, on tax sharing, on the distribution of money that is collected from Canadian taxpayers. Then, when provincial premiers return to their respective provinces, they will still be faced with contributions to be made to municipalities or school boards. All this constitutes an enormous problem, almost a deadlock, because no attempt is being made to strike at the root of the evil.

The governments merely talk about tax matters and the other day, more exactly yesterday, the Quebec delegation suggested that the federal government should give the

provinces a greater share in the development of the Canadian monetary policy.

It was, in my opinion, an excellent suggestion, because it is my contention that fiscal matters especially proceed from a well-established system called the banking system, the Canadian monetary system. There were no fiscal matters before the introduction of the monetary system. Now, all our present difficulties are due to monetary difficulties from which stem all the financial difficulties with which Canada is faced.

Mr. Chairman, on October 31 last, I put in the order paper the following question:

Since 1942, has the Minister of Finance received written notice from the government of the province of Quebec, pursuant to section 23(5) of the agreement signed by both governments on the vacating of certain fields of taxation during the war with a view to denouncing the agreement and, if so, what steps have been taken in this respect, and what agreements are now in force?

And as reported on page 5148 of *Hansard* of November 27, 1963, the parliamentary secretary to the Minister of Finance (Mr. Benson), replied as follows:

No. Under section 23(1) of the wartime tax agreement, it was provided that the agreement would terminate on the last day of the fiscal year of the province ending nearest to the thirty first day of December in the first calendar year which began after the date of cessation of hostilities. As order in council P.C. 7409 dated 21st December 1945 fixed the 2nd September 1945 as the date of the cessation of hostilities, the wartime tax agreement automatically ceased on March 31, 1947, and Quebec was free to resume the imposition of a provincial tax on individual and corporation incomes. As Quebec did not enter into subsequent tax rental agreements, that province has retained its freedom to tax individual and corporation incomes.

Now, I contend that the federal government subsequently, lied shamelessly to the Canadian provinces when it said that Quebec could not resort to direct taxation and to personal income tax since Ottawa already occupied this taxation field. Quebec lies or Ottawa lies, when we are told that the province of Quebec was free after March 31, 1947, to recover her whole rights, in taking away from the federal government this field of taxation, since, at that time, it had not used its rights to resort to personal income tax. As the province of Quebec concluded no agreement in the taxation field, it had kept its freedom to resort to personal income tax and corporation income tax.

On several occasions, we heard statements to the effect that Quebec, as the other provinces, is entirely free to levy a personal income tax or a corporation income tax. However, the federal government never agreed to quit that taxation field, so that we had, in Quebec, double taxation or double income tax. In fact, several other provinces also had to resort to this double taxation.

[Mr. Caouette.]

Now, it is not at all interesting for a province to resort to such double taxation, which is not very popular among the Canadian taxpayers, no matter in which province they happen to live.

Mr. Chairman, this answer from the Department of Finance establishes clearly that the provinces are free to recover their rights, which means that the federal government is ready to quit those taxation fields. That is true, but nevertheless I doubt the truth of that statement. For is it not a fact that the province of Quebec has had to impose double taxation? And now, once again we are faced with this taxation problem.

The federal government and the provinces set equalization payments per capita in Canada. As a matter of fact, in certain areas of this country, the payment per capita will amount to $7, in another, $1.31, in still another, $3 or $5, and so on and so forth.

Equalization payments are established per capita, in somewhat the same way domestic animals are bought or sold on both domestic or foreign markets.

Mr. Chairman, I said a moment ago and I will say it again; the very foundation of our taxation system is a defective monetary system under which this country has been and is still stagnating, saddled as it is with exorbitant interests that it is incapable of paying, not only at the national level but also at the provincial, municipal and school levels.

I base my case upon solid facts and not upon imaginary figures which nobody could prove. I refer to the Canada Year Book for 1962, and more particularly to page 1087, where we find the following information on currency and banking:

The Bank of Canada—

That very bank about which we talk so much, not only in the house but also—and even more so—outside of it, to explain to the Canadian people the part that is played in our monetary system by the Bank of Canada.

The Bank of Canada is Canada's central bank. It was incorporated under the Bank of Canada Act in 1934 and commenced operations on March 11, 1935. The Act of Parliament which established the central bank charged it with the responsibility—

Note this, Mr. Chairman:

—the responsibility for regulating "credit and currency in the best interests of the economic life of the nation", and conferred on it certain specific powers for discharging this responsibility. Through the exercise of these powers, the Bank of Canada determines broadly the combined total of the basic forms of Canadian money held by the community —currency outside banks plus deposit balances in chartered bank accounts.

By virtue of the provisions of the Bank of Canada Act, which enable the central bank to increase or decrease the total amount of cash reserves available to the chartered banks as a

group, the Bank of Canada is able to determine broadly the over-all level of the total assets and deposit liabilities of the group, and hence of the combined total of currency and bank deposits. The Bank Act requires that each chartered bank maintain a minimum amount of cash reserves in the form of deposits at the Bank of Canada and holdings of Bank of Canada notes. This minimum requirement is 8 per cent of the bank's total Canadian dollar deposit liabilities on a monthly average basis.

That means that under the Bank of Canada Act, a chartered bank having a deposit equivalent to 8 per cent of its assets, of its deposit liabilities in the Bank of Canada, would have the right to loan $92 for every $8 deposited with the Bank of Canada.

I quote again:

The ability of the chartered banks as a group to expand their total assets and deposit liabilities therefore depends on the level of total cash reserves. An increase in cash reserves will encourage the banks to expand their total assets (which consist chiefly of loans and marketable securities) with a concomitant increase in deposit liabilities; a decrease in cash reserves will bring about a decline in their total assets and deposit liabilities as they seek to restore their cash reserve ratios.

Mr. Chairman, each time the Bank of Canada demands that the chartered banks bring their cash reserve ratios to a 10 per cent level, credit restrictions immediately spring up. On the other hand, when the Bank of Canada allows the chartered banks to have reserves of 8 per cent only, credit tends to expand.

Further:

The chief method by which the Bank of Canada can affect the level of cash reserves of the chartered banks, and through them the total of chartered bank deposits, is by purchases and sales of government securities. Payment by the central bank for the securities it purchases in the market adds to the cash reserves of the chartered banks as a group and puts them in a position to expand their assets and deposit liabilities.

Mr. Chairman, as soon as the Bank of Canada buys securities, the assets of chartered banks increase, as they multiply by 12½ the reserve amount created by a purchase of securities by the Bank of Canada.

I continue my quotation:

Conversely, payment to the central bank for securities it sells causes a reduction in reserves of the chartered banks and makes it necessary for them to reduce their assets and deposit liabilities.

Mr. Chairman, going on to page 1089:

The bank may buy and sell securities issued or guaranteed by Canada or any province—

Note that Mr. Chairman, "or any province".

—short term securities issued by Britain treasury bills or other obligations of the United States, and certain classes of short term commercial paper.

Mr. Chairman, under the Bank of Canada Act, the central bank may buy and sell securities issued or guaranteed by Canada or any province in the country. And I think that the paradox is this: Why oblige the provinces to go and borrow abroad? Why oblige the provinces to go to other institutions than the Bank of Canada when the legislation stipulates that the provinces can issue securities guaranteed by their resources?

That is the part laid down for the Bank of Canada, the role for which it was established in 1934 and for which it began its operations in 1935.

Besides, the Bank of Canada may accept deposits that do not bear interest from the government of Canada or from the government of any province. That, I think, is another paradox.

That is the paradox facing us.

And I continue:

The bank may accept deposits that do not bear interest from the government of Canada, the government of any province, any chartered bank or any bank to which the Quebec Savings Bank Act applies.

But those deposits do not bear interest. How is it that the deposits with the Bank of Canada do not bear interest, while it has to charge interest to the central government or to the provincial governments for the loans they need to administer their business?

I continue:

The bank does not accept deposits from individuals and does not compete with the chartered banks in commercial banking fields.

Mr. Chairman, the bank does not compete with the chartered banks in commercial banking fields. It exists only to help the chartered banks; its very reason for being is to control credit and currency in the best interests of the economic life of the nation.

Well, there is no rule to order credit restrictions at a time when the number of unemployed is going up in Canada, at a time when instability sets in and becomes the nightmare of the Canadian nation.

Why does not the Bank of Canada, through its administrators and its governor, take measures to maintain a progressive and prosperous economic life for the whole Canadian nation?

Again, according to the Canada Year Book:

The Bank of Canada may vary the minimum cash reserve requirement of the chartered banks between 8 per cent and 12 per cent of their Canadian dollar deposit liabilities....

When this legislation became effective on July 1, 1954, the requirement was 8 per cent and it has since remained at that level. (Prior to July 1, 1954, each chartered bank was required to maintain at all times cash reserves equal to not less than 5 per cent of its Canadian dollar deposit liabilities; in practice, the chartered banks as a group normally worked to a ratio of about 10 per cent.)

Mr. Chairman, during the years 1956-57, did we not see restrictions imposed on the Canadian people while chartered banks had

to maintain a reserve of only 5 per cent of their Canadian dollar deposit liabilities?

Another point: One has fed the Canadian people the gold myth, according to which Canadian paper money was based upon gold. Some Liberal members running for parliament during the last election used to say to the provincial electors: "If our dollar is to have any value in Canada, it is necessary and compulsory that it be backed by a gold reserve.

Now on page 1089 in the Canada Year Book, I find the following:

> Section 23 of the Bank of Canada Act provides that the bank shall maintain a reserve of gold equal to not less than 25 per cent of its outstanding notes and deposit liabilities.

Such are the terms of section 23 of the act.

> This requirement was suspended in 1940 when, under the terms of the exchange fund order, the bank's gold holdings were transferred to the exchange fund account to form part of Canada's official gold and United States dollar reserves. The Currency, Mint and Exchange Fund Act passed in 1952 provides that, notwithstanding section 23 of the Bank of Canada Act, the Bank of Canada is not required to maintain a minimum or fixed ratio of gold or foreign exchange to its liabilities unless the governor in council prescribes otherwise.

Mr. Chairman, there is not a single ounce of gold behind our Canadian paper money. Nevertheless, there are still people to maintain the opposite in Canada.

We have proved and are still proving at present, by referring to the Canada Year Book, that the monetary and banking system is responsible for the financial and taxation difficulties we have to cope with.

The problem which faces the provinces, namely their being at grips with the federal government from which they are demanding a better distribution of taxes collected by the central government, is not the only problem that we know of. In the province of Quebec, which we know best, we have school boards on the verge of bankruptcy at this moment; the provincial government has to direct them to increase their school taxes, otherwise they will have to be placed under a trusteeship by the said government; thus those school boards are compelled to increase their taxes or else be deprived of any provincial subsidy for the construction of their schools or the remuneration of their school teachers.

Mr. Chairman, this is the outcome of taxation policies in the provincial education field. In the municipal field, the same problems arise and here we are in Ottawa grappling with the same difficulties on a higher level. While the federal government only can legislate on monetary matters, they refuse to face up to their responsibilities and to discharge their duties.

[Mr. Caouette.]

What can they do at this time to get the general economy of Canada going again? All the federal government has to do is to instruct the Bank of Canada—if an amendment to the legislation is necessary, let us introduce one—to make financially possible what is physically realizable and morally good in the whole of Canada. Then the Bank of Canada could help the provinces, the municipalities, the school boards and the public administrations of Canada.

There is no other way out. Even if we listen to the hon. leader of the socialist party telling to the house that we need greater centralization, it is not with centralization that we will reach the goal at which we are aiming, "security and freedom for all Canadian citizens", but through decentralization and the respect which we owe to every Canadian citizen, every Canadian taxpayer.

Let us take for instance those who control money and credit. That system has been condemned thirty two years ago by His Holiness Pope Pius XI, who said, in 1931, what follows:

> Those who control money and credit also control our lives and no one can breathe without their permission.

That was true ten or 15 years ago and it remains true today. No one can breathe without the approval of those who control money and credit.

According to the Canada Year Book, the Bank of Canada has something to do with the control of money. As Canadian legislators, we must direct the Bank of Canada to play its role to the full extent. It must not be satisfied with playing only half a role by imposing a strait-jacket on the Canadian people, but rather it must free human beings from bondage. That is what we all want, no matter where we sit in this house.

We have to admit that the economy will not really reach its objectives until it provides each and every one with his share of the wealth produced by nature and industry, and that share should be large enough to provide every one with a decent living.

It is for that decent living that Social Credit members of this house and Social Crediters throughout Canada have been working so strenuously for nearly 20 years. What is important to them is not to bring down a government and replace it with another, but to get results for the people of Canada. Let the Liberal government now in office give us the results we want and we shall be the first to vote for it. Results are the things that matter to us.

Mr. Chairman, there will be a debate next week on the results of the federal-provincial conference. Such conferences have been held for the past ten years; there have been conferences between provincial premiers, who

have been replaced following elections, and federal governments, which have been changed following general elections. At one time, the premier of Quebec was the Hon. Mr. Duplessis, today it is the Hon. J. Lesage. At one time, in Manitoba, so-and-so was premier, today, it is Mr. Roblin.

Thus all the provincial premiers meet with the Prime Minister and the federal government; they discuss taxation, but none dares to deal with the monetary question, the banking question, the financial question, the very root of all the economic chaos which we have been going through for too many years.

Mr. Chairman, we will pass the interim supply, because the money has already been spent, but I wanted to inform parliament of what we stand for. It is not a matter with which to play politics; it is not a game for petty politicians; of little politicians; we demand results, whether from one government or another.

There are two provincial governments which abide by the Social Credit doctrine: the government of British Columbia and the government of Alberta. We wonder why those two governments do not request the immediate use of the Bank of Canada to start the general economy of this country moving again. The Social Credit doctrine is very clear; Major Douglas was very clear in his manifesto of 1918, and principles set forth by Mr. Douglas in 1918 are still true today; it is due to the changed economic conditions in which we live.

Today, there is more automation than in 1918 and in 1920, and we have moreover to face replacing man by machines.

We now have to determine whether machines are to penalize men or to serve them. If we believe in machines for punishing people, Mr. Chairman, I think we should pursue the course charted by the Conservatives and the Liberals.

If we believe that machines should serve the human being then we should consider the problem from another angle, looking to the controllers of the nation's economic blood stream, and when we discover deficiencies or needs, the most elementary honesty will probably induce this government to put the axe to the present monetary system which is causing this country's present distress.

We want security and freedom in Canada. We are in no way asking for the impossible, because we know Canada is one of the richest countries in the world. If we realize it, let us try and show all taxpayers and voters that we are aware of our responsibilities as their representatives in the House of Commons, where laws are enacted, and where they have to be worked out with due consideration for the needs of the human beings whose interests we should watch. Indeed, people are not made for the law, but in Canada the law must be made to serve people.

That is what we want the government to do. That is the aim towards which we work, meaning to obtain as much as we can, and we shall not desist, as long as we have not succeeded in providing for the welfare of Canadian citizens.

[*Text*]

Mr. Aiken: Mr. Chairman, I wish to speak on another subject. The interim supply which is before us gives me the opportunity to set out very briefly an answer to an allegation that has been raised outside the house, and occasionally inside the house.

A couple of weeks ago a statement was made outside the house that the opposition was impeding the government by endless votes of confidence in the house. There were other statements made along with it, but this one bothered me because I felt it was not true. When it was made I raised the question briefly with the Prime Minister, and asked him if he would straighten out Mr. Keith Davey on who actually was calling all the confidence votes and supply motions. Naturally at that particular moment it was not a subject for debate, but now I do have a few minutes in which to raise the matter.

I have made a study of the proceedings in the house since October 1, on which date the first vote of the fall session was taken. I find that during the period from then until today —and certainly not counting today—there have been a total of 26 recorded votes in the house. These have been on various matters, and I want to break them down because I think it is important for us to know whether or not the opposition is conducting a blockade of the business of the government by calling endless votes of confidence.

There were 26 recorded votes during that period of time. Nine of these votes—

The Deputy Chairman: Order. I wonder if the hon. member is now dealing with the resolution before us, or whether he is not referring to votes which have already taken place in the house during this session.

Mr. Aiken: I am speaking on interim supply, and I thought we were open to discuss any subject.

Mr. Pickersgill: May I say a word on the point raised by the chairman, because the same thought was running through my mind. I think it is generally understood when we are in committee of supply any grievances can be raised against the government. Now, I am trying to say this in a non-contentious way, because I appreciate the hon. gentleman's

feeling about this matter, but he is not expressing any grievance against the government.

So far as I am concerned no one in the government has made any such allegation. Certainly I have not, and I want to make that very clear. I have not made any such allegation at any time about the opposition. I think there has been a reasonable measure of co-operation, but I question whether it is proper to raise this now. I could look up Beauchesne, but I do not imagine we want to have a discussion on points like this. However, I question whether it is proper, when we are in committee of supply, to go over matters that have already been settled by the house in the same session, and to open up any debate that has already been concluded.

I think there is that limitation; but if the hon. gentleman has some very brief statement he wished to make, notwithstanding this fact, I would not want to stand on ceremony. I would sincerely hope however that not very much time would be taken up with it, because the hon. gentleman, if he extended his remarks, would be doing the very opposite of what he is seeking to do. It is very important to the government and to the conduct of business that we get this supply, and get on with the other urgent matters we have to deal with, if we are to finish the session before Christmas.

Mr. Aiken: Mr. Chairman, I think I could have said what I was going to say while the Secretary of State was speaking. However, if he wants to expand slightly on what he said a moment ago, and admit the opposition has been responsible in its actions up to now, I will discontinue my remarks.

Mr. Pickersgill: Perhaps the hon. gentleman will remember—and here perhaps I am breaking the rules myself by referring to the debate on redistribution the other day—that I am one of those who think there ought to be debate in parliament, and I do not regard debate as obstruction. I have not said and I have not thought that, taken by and large in this session of parliament, particularly since we met in September, there has been anything I would be inclined to describe as obstruction.

Mr. Knowles: Send a copy of this *Hansard* to Keith Davey.

Mr. Aiken: If I would be permitted by the committee to make my point in a brief sentence, I would continue. I merely wanted to say that out of the 26 votes we have had, ten were in connection with supply motions brought on by the government, on which it is the duty of the opposition—

[Mr. Pickersgill.]

Mr. Pickersgill: The right.

Mr. Aiken: —to move motions of non-confidence; three votes were on bills which we felt were unsatisfactory; five related to the division in the Social Credit party; one was to adjourn the debate and was brought on by the Liberal government; four were on the Speaker's rulings, and three were on the Chairman's rulings. I would not consider these to be endless votes of non-confidence and instances of delay.

Some hon. Members: Hear, hear.

Mr. Olson: Mr. Chairman, I wish to take only a few minutes of the time of the committee in order to air a grievance or a problem that I have. Quite frankly, I do not know where to go with it, except here. I wish to appeal a decision made by treasury board. I have made inquiries around parliament hill but I really have not found anyone yet who can tell me exactly what a member can do in a situation such as this, where treasury board has made a decision and one wants to appeal it.

This question concerns the raising of the rentals of the crown owned dwellings in the village of Ralston, Alberta. The Department of National Defence, which is indirectly involved in this matter, tell me it is not in their hands at all because there was an order, or a directive which came from treasury board that these rentals should be brought in line with some standard that prevails. I disagree with this standard. In any event, I cannot get any satisfactory answer from the Department of National Defence. The defence research board of the Department of National Defence claim that they are in the same position, that treasury board has issued this directive, or order, and they therefore have no power to rescind it or do anything about it.

This village is some 30 miles from a city. It is therefore that distance from doctors, dentists, markets and most other community services that are right at hand for dwellings inside a city. I think this is something that should be taken into consideration. I wish to put on the record the answer to a question asked about this matter. This answer is to be found in *Hansard* of June 12, at which time I asked:

> What was the total cost of constructing the crown owned residences in the village of Ralston, Alberta?

The answer was "$1,694,789". The second part of that question was:

> What is the total amount of rent collected on these residences?

The answer I received was "$10,769 per month". I wanted to know what was the total rent collected on these residences from the time they were built, to see whether the

government had recovered most of its capital investment through rental. But the government did not answer it in that way, so I had to do some calculating myself. I find that even at the old levels of rent, before the raise came along they were collecting $10,769 a month, as I said, which amounts to about $130,000 a year. I happen to know that many of these residences have been in place and have been earning rent for the government for 13 years or more. At this rental figure it would take almost exactly 13 years for the government to recover all its capital investment in them. Therefore the government had no justifiable reason whatever for increasing the rents effective August 1 this year. In some cases the increase in rental was as much as 94 per cent, all at once. If the government were to tell us how much they have collected in rentals over these years, I think we would see that almost all their investment has been recovered, and they are therefore making what might be termed an unconscionable profit on the rentals now being charged. In spite of this they have raised all the rents. As I said, in one case at least the increase was as much as 94 per cent.

The grievance I have is with treasury board. I appeal to them to rescind this order raising the rentals, because there is no apparent justification for it; and in any event the increase is too much. I also disagree, if that is the right word, with the method used to evaluate what the rentals should be. I am told they sent an inspector from Central Mortgage and Housing Corporation to assess these buildings and establish a fair rental for them, but he took the general area into consideration. Certainly, if they were in the city of Medicine Hat the rents these people are now charged following the raise would not be more than that being collected commercially, if I may call it that, for houses of the same size and with the same accommodation right in the city. But they are not in the city; they are 30 miles out. I believe that a low rent in this village could be considered as one of the legitimate fringe benefits to people living there who have to commute back and forth 30 miles to doctors, dentists, market facilities and most other community services.

That is all I wish to say on this matter, Mr. Chairman. This is a grievance I have had for the last three or four months, and I seem to run right up against a stone wall in trying to find in the government anyone who will even take this question back to treasury board and have them consider it.

[*Translation*]

Mr. Vincent: Mr. Chairman, I take this opportunity to draw to the attention of the government certain points which, in my opinion, are of vital importance to our areas and eastern Canada.

I would like to draw the attention of the hon. members and of the representatives of the federal Department of Agriculture to very serious problems which I already raised many times during this session. I did say "the representatives of the federal Department of Agriculture"; these hon. members do not realize, it seems, that the onus lies upon them as representatives elected by the people to give to their department instructions which would help to settle the many problems facing farmers in eastern Canada, in my province and in the maritimes, as well as in the eastern part of Ontario.

The house will remember that on October 15 last I made a stand against the millions of dollars lost by our farmers and especially those in the dairy industry in the province of Quebec.

I regret that there are no members of the government from eastern Canada, no responsible ministers in this field now in the house. The Minister of Agriculture (Mr. Hays) is still absent today and I deplore the fact that the Minister without Portfolio and his parliamentary secretary are also absent.

I especially wish to call the attention of the government on the millions of dollars that farmers in my province and in eastern Canada lose now because the new government policy was put forward too early, was not considered carefully, with the result that at present, our farmers received much less money than last year. Indeed, it should be the reverse as the prices of dairy products are higher than they were last year.

I should like to emphasize another point—and my comments will only take a short time —that is equally important to eastern Canada's agriculturists. I am referring to feed.

It seems to me that since last April, the government has had enough time to draft proper legislation. Besides, legislation had already been drafted by the previous government, which would have been favourable to eastern growers as well as to those in my province.

This question is a very important one. At the present time, the prices of feed are too high. The growers of my province and those of the east cannot make any profits. Therefore, it is the duty of the government to take adequate action as soon as possible.

As I mentioned earlier, I say again that, in my opinion, the Minister of Agriculture could easily draft legislation to authorize farmers, flour mills and co-operatives of eastern Canada to organize themselves into a purchasing board in order to buy the feed they need

directly from the Canadian wheat board, so as to secure their supplies at favourable prices during a period of from eight to ten months.

I should also like to call the attention of the government on the point made in their brief by the Cooperative federee and the united farmers of Canada, to the effect that the federal Minister of Agriculture should like the government to consider the matter and submit a report as soon as possible so that when we go back to our respective provinces and ridings, we may tell our farmers that we are looking after their problems.

My third point has to do with a question I put to the Minister of Agriculture last June. When I asked whether the government intended to appoint a vice president within the Farm Credit Corporation, the minister replied that the question was under advisement. The matter has been under consideration since last June and it is well known that the corporation will loan over $100 million to Canadian farmers this year.

In my opinion, the Minister of Agriculture should make such an appointment immediately so that some will look after the interests of Canadian farmers in general.

Since I am on the subject of farm credit, I should like to say a few words in that connection. Last Sunday evening, I listened to a program on television where the hon. member for Lapointe (Mr. Gregoire) stated that only 109 loans were granted in the province of Quebec last year.

Subsequently, he asked the people to deny that fact. As a matter of fact, last year, in the province of Quebec, 804 loans were granted for a total amount of $11,434,700. This is a far cry from the 109 loans mentioned by the hon. member for Lapointe.

I should also like to refer to the building of a bridge between Three Rivers and Ste. Angele, in my riding. I hope that the Minister of Transport will soon be in a position to inform the house that the government supports the legislation carried by the Conservative government on March 4, 1963, so as to remove any doubts among my constituents who have been looking forward to the construction of this bridge for several years. It is high time it was built.

The Minister of Transport should necessarily face up to his responsibilities and say: "Well, the bridge will be built."

I would also like to discuss the new legislation granting a $500 premium for housing construction during wintertime. A $500 premium is paid for each dwelling; so if the house includes four units, a $2,000 premium is paid. But when the house has four units and an additional one in the basement, then no premium is paid.

[Mr. Vincent.]

I had understood, as many taxpayers in my constituency did, that the maximum was $2,000 and that if the house being built contained five or six units, the limit was a maximum of $2,000; but after explanations from the Minister of Labour (Mr. MacEachen); we found the situation is entirely different.

If the house being built contains five units, the owner receives absolutely nothing, whereas if the house being built contains four units, the owner will receive $2,000. I wonder whether there would be some means of improving markedly the provisions of that legislation. I am of the opinion it would be wise to allow those persons who build five housing units, one of which is in the basement, to benefit from this maximum premium of $2,000.

The last point I want to raise in this debate on interim supply concerns federal-provincial relations. You recall that, before the election on April 8 of this year, at a time when there was a Conservative government in office in Ottawa, the premier of the province of Quebec delivered an ultimatum. We were not the ones to use that word, the premier himself did in a televised broadcast. As a matter of fact, to a reporter who asked him:

Do you consider that part of your speech on the budget which refers to the increase in tax-sharing to 25-25-100, as an ultimatum?

Mr. Lesage answered yes.

And according to an editorial published last November 23 in *La Reforme*, the official organ of the Quebec Liberal federation, it was indeed an ultimatum on the part of Mr. Lesage.

Today, we are entitled to ask ourselves whether Mr. Lesage would still have delivered his ultimatum to the federal government, prior to last April 8, if the Liberal party had been in office. As a matter of fact, during the election campaign, they said that the Grits had to be in power in Ottawa and at Quebec. And now that this is exactly the situation in which they find themselves, they feel the ultimatum no longer exists.

It was thought that ultimatum from the province of Quebec was to be taken seriously. But it is found that such is not the case. In fact, if you have a quick look around the house, you will see that the ministers from my province and all the other members, except the few that are here, have probably gone to meet Mr. Lesage to tell him: Do not feel sad, we will maintain at least the prestige of the federal government.

Mr. Chairman, the governments which, before 1940, succeeded each other in the province of Quebec—the Liberal as well as the Union Nationale governments—always fought

for the province's autonomy. But, unfortunately, during the war the Liberal government in Quebec and the Liberal government in Ottawa agreed to deprive that province of its taxing powers, while promising to give them back when the war was over.

Afterwards, the Quebec government fought unceasingly to recover its taxation rights yielded to the federal government. We need those fiscal rights because we want to carry through our education system which comes under the sole jurisdiction of the provinces.

We need these taxation rights to look after our highway system which comes under the sole jurisdiction of the provinces.

Moreover, we need these taxation rights because provincial responsibilities are forever increasing. We need the necessary funds to meet our ever increasing responsibilities and fulfil other commitments entered upon in every field.

Before closing my remarks, Mr. Chairman, I merely wish to say that several times in this house I heard members make speeches with which I did not agee. But I want every member who sits here, from whatever province he may come and to whatever party he may belong, to be able to talk freely and say what he really thinks.

I listened the other day to the hon. member for Port Arthur (Mr. Fisher). I liked his speech, not because I accept or approve what he said, but because I saw a member stand up and say what he really thinks. Even if we do not agree with the hon. member, we must act like gentlemen and let him speak freely, and perhaps do the same ourselves later on. I also read the speech which an hon. Liberal member made the other day in Toronto, and though I do not at all agree with what he said, he at least fully expressed his views, and that is what all those who represent various ridings here in this federal parliament, should do. And when we are gentlemanly enough to accept the fact that each hon. member may rise to express his views—in short, speak as he thinks fit—then the dialogue will start and we may say with some truth that in Canada, we are able to know what others think and to express our own thoughts.

Therefore we should stop whining whenever a member from another party and another part of Canada rises to say something with which we may not agree. If he is a member from Quebec, we have something to say about the views expressed by other members, and, if the member is from another province, he may object to our ideas. Well, we want all hon. members to be able to speak freely, and then we shall be able to reply and to air our own views. The only way a democratic parliament can operate is when the elected representatives of the people are able to express themselves as they see fit.

Those are the remarks I wanted to make, Mr. Chairman. However, I shall urge the government carefully to consider the points I raised. First of all, the dairy industry in eastern Canada; then, the prices paid for feed grain by eastern farmers in Canada; third, farm credit, and, more particularly the appointment of a vice president of the Farm Credit Corporation, and the possibility of increasing the loan ceiling so that family corporations may avail themselves of a higher loan limit than the present one of $20,000 or even $27,500; in the fourth instance the Three Rivers bridge. I would like the government to assume its responsibilities in that respect; in the fifth place I mentioned the $500 bonus. And finally I also dealt with federal-provincial relations.

Mr. Chairman, having said this, I shall conclude my remarks by asking this government to consider those six points in view of bringing about considerable improvement in those fields.

[*Text*]

Mr. Nielsen: Mr. Chairman, before embarking on the main part of my remarks I want to refer for a moment to the figures which the leader of the N.D.P., the hon. member for Burnaby-Coquitlam, put on the record this afternoon. He was speaking about the Liberal promises and was recalling them from memory. I think it was a fairly accurate recollection, but since there has been a complete disregard of the promises which the Liberal party made in the last election campaign with respect to equalization payments I should like to put on the record what the promises were. I am reading from a pamphlet printed by the National Liberal Federation, 251 Cooper Street, Ottawa, entitled: "The Policies of the Liberal Party, General Election, 1963". On page 7 of that pamphlet we find these words under the heading "Equal Partners in Confederation":

> Work well with the provinces. National unity and good government in Canada depend on co-operation between Ottawa and the provinces. The essential foundation for effective co-operation, in all matters of national concern, is full respect for the rights of the provinces in matters within their jurisdiction. All Liberal policies will be carried out with this full respect.
>
> Provide full equalization of provincial revenues from the tax fields that the provinces share with the federal government.
>
> This is the only way the provinces can afford similar standards of services, and so provide equality of opportunities for all Canadians. A new Liberal government will make equalization payments which bring the other provinces up to the level of the richest, in revenue per head from shared taxes.

This promise is just one of those several promises which have fallen by the wayside, which were expedient for the Liberal party to make during the election campaign, but which, when it comes to facing the hard facts of reality, and after speaking with the provincial premiers, they have discarded completely.

I asked earlier in the session why there was not some representation for the two northern territories in this federal-provincial conference. It might interest hon. members of the committee to know that the territorial governments signed five-year fiscal agreements which are exactly similar in all respects to the fiscal agreements signed by the federal government with the provinces.

As far as the territorial council of the Yukon is concerned, it is wholly elected and if it does not approve that fiscal arrangement it is not bound to sign it. It has full legislative authority in this regard. A similar situation exists in the Northwest Territories. I asked the acting prime minister yesterday, or the day before, what representation was given to the Yukon and the Northwest Territories at the dominion-provincial conference. He said, as has been said in the past, that the matter was being considered. There is a committee in the Yukon, consisting of three members of the council, which calls itself the advisory committee on finance. The commissioner of the territory, who is a federal civil servant, is required to sit with that committee during the process of preparing the territorial budget. The committee visits Ottawa once a year for the purpose of discussing with federal officials the fiscal affairs of the territory. The federal-provincial conference has made decisions with respect to indian affairs, public works, health and welfare and virtually every federal activity in the provinces and in the territory. I have not heard one member mention today the fact that there are Canadians who live in the north and who contribute to the revenue of this country. It seems to me that in this situation some voice should be heard from the territories before any new tax arrangements are entered into between the federal government and the provinces.

Perhaps through lack of information, perhaps through ignorance of the territories involved, members of this house and of the committee are prone to forget that 40 per cent of Canada's land mass lies north of the 60th parallel and that this is a region from which the federal government derives a substantial revenue. The Yukon, alone, provides 90 per cent of Canada's gold. It is true that much of this revenue finds its way back to the territory by way of provision for the construction of roads, the building of homes for Indians and other federal projects. The fact remains that the territory government is autonomous. It has these democratic institutions set up and has virtually the same legislative powers as the provinces with certain exceptions. One of these lies in the field of natural resources, from which the federal government derives most of its revenue. This is why the federal government has the responsibility and duty to spend money in the north to encourage the development of resources which it owns on behalf of all Canadians. It is no excuse to say that, because the territory comes under the jurisdiction of the Minister of Northern Affairs and National Resources to at least some extent, it should not be represented at fiscal conferences such as that which has gone on in Ottawa this week. Since the federal government does own these resources it should speak in that capacity in these arrangements with the provinces; and that, I imagine, is what the minister has been doing at this conference. What I am concerned about is that no territorial voice has been heard at the conference to express the northern point of view.

The territorial council in the Yukon unanimously passed a resolution requesting representation at these federal-provincial discussions. I think that was a reasonable request, and the government should have had no difficulty about accepting it. The council did not go as far as to say there should be full representation at the conference. They wanted simply to sit in as observers, so that they could take back their observations to assist them in their deliberations in the territory. This session the council passed a resolution calling for expert assistance from the Department of Labour in connection with matters which were of concern to them in the Yukon. They also passed a resolution calling for assistance from the Department of Transport. The council has repeatedly passed resolutions asking for the extension of the emergency landing strip construction program in the Yukon. They say in their sessional proceedings that the reason continually given by the Department of Transport for not improving these facilities is the cost which would be involved. Surely this could be the subject matter for discussion at a conference of the kind which has been going on this week; it is a subject with which the council is properly concerned.

I express concern about the amount of expenditure of a federal nature which has gone into the northern territories in the past six years, and what is likely to be in the books for the future. I think many Canadians lose sight of the fact that the resources of the

Yukon and of the Northwest Territories belong to all Canadians. This parliament, because it has direct jurisdiction over the natural resources of these areas, has a responsibility and a duty to spend money for the purpose of developing these northern territories. If this approach is not made, these areas will remain undeveloped in direct proportion to the extent to which the federal government is disinterested in the development of the territory.

Upon returning to the house, after a visit I had made to the Yukon, I read with interest what had been said by the Minister of Northern Affairs and National Resources, when introducing his estimates. He indicated that the federal government would in future place much more reliance on private investment for the development of the territories than on a continuing program of development construction. I think this would be a tragic mistake. If the government does not continue the development road program which we instituted in the northern territories, together with the roads to resources program in the northern parts of the provinces, the effect will be to diminish private investment by corporations and others in the north. I obtained from the Minister of Transport an assurance that a new terminal building will be constructed in Whitehorse. This is a good thing. Of course, the decision was made by the previous government, though in a different form. The previous plan was to convert one of the existing hangars in the city. The minister has informed me that the new plan is to construct a new building.

Mr. McIlraith: The cost of conversion was too high.

Mr. Nielsen: I understand the reason why it was too high was because of the requirements, or demands of the Department of National Revenue and its customs and excise branch, as always seems to be the case when that particular department is concerned with public buildings. At any rate, the idea to give us a building is an extremely good one. We were all hoping it could have been constructed during the winter, in order to relieve the unemployment situation in the Yukon.

This is another area in which I think a word or two might be said. We heard all sorts of high flown promises during the last election campaign that unemployment was one of those matters that was going to be cured immediately upon the Liberal government taking office. The 60 days of decision were going to accomplish wonders. In very short order there would be full employment; that is how it was described. There seems to have been some disagreement among certain members of the Liberal cabinet. The Minister of Finance, for instance, said that full employment was not possible and I believe the Minister of Trade and Commerce said the same thing. However, the Prime Minister went across the country saying that this was not an impossible achievement at all and that it would be accomplished. There were statements made by the Secretary of State. Here is one that was reported in Summerside on March 26, 1963 and in Charlottetown on March 27, 1963 in which the Secretary of State said:

> It is the Liberal policy to see that every able person willing to work will have the opportunity to earn a decent living.

That is what he said. Now, in co-operation with the minister of northern affairs several years ago, I developed a program for creating jobs for the Indian people around the Yukon. I am sure all hon. members will agree with me when I say that this is one sector of our population that, instead of having to rely on welfare handouts, deserves job opportunities being created in order that they may keep their self-respect. This program that was developed was a program of slashing timber for rights of way for the construction of new development roads in both territories, I may say.

Now, I received a copy of a letter for which I asked, from the assistant deputy minister of northern affairs, dated August 16, 1963. This is on the deputy minister's stationery and reads as follows:

> Just before leaving Ottawa you inquired about clearing on the Watson lake-Ross river road in the winter of 1963-64.
>
> The department intends to clear 24 miles between mile 120 and mile 144. As previously, the work will be supervised by the Indian affairs branch and it is expected that about 40,000 man hours of labour will be provided at $1.60 per hour, and that approximately 100 workmen will be required.

It is signed by Mr. Cunningham, assistant deputy minister. I was very happy when I received that letter because it meant that these jobs were going to be made available to people who sorely needed jobs. When I got back to Whitehorse I made an announcement which was published in the press, and the Liberal organization was quite annoyed that a Conservative member had access to this information which, after all, is public. In any event, I understand the minister raised quite a ruckus when he got back to his department, trying to find out who had passed this information on to me. The upshot of this whole thing has been that the program has been cancelled, I understand. I think the reason for its cancellation is simply an endeavour to embarrass me politically, and I feel that is a very sad state of affairs.

A decision was made by the government to go ahead with the slashing program. The

announcement was made, and unfortunately it was not made by the minister when he visited the Yukon. As soon as he returned, I discovered that the program had been cancelled. What the minister is doing by cancelling the program is putting 100 men out of work and denying 40,000 man hours of labour to people in the Yukon who sorely need it. It seems to me that this particular project deserves some consideration.

I see the Minister of Transport in his seat and I should like to draw to his attention the proceedings during the last session of the Yukon council during which there was a request for the officials of his department to visit the Yukon for the purpose of sitting down with the council to discuss airport costs. There is the question of lengthening the runways at Mayo, or constructing a new airport there. The huge iron ore holdings of the companies north of Mayo demand that there should be some efficient transportation link set up for the purpose of encouraging that development. It would not need to be restricted to that area, but the whole central portion of the Yukon could be considered because there are potentially rich resources there and there should be an airport of higher standard than the one existing. The excuse the council is always getting from the minister's department is the high cost. They have asked for someone to discuss the problem with them.

I turn now to post offices. This business of employment is a very interesting one. Unemployment was the subject of a hue and cry by the Liberals while they were conducting the last two election campaigns, and it is the subject on which the least amount of effort has been exerted by them during the months they have been in office. Perhaps I am a little unfair there, because there has been some increase in employment, particularly amongst the ranks of the Liberal party and particularly in the Post Office Department. It seems that there has been a rash of appointments and a rash of discharged employees in the post offices across this country. It appears that the purpose of this move is to replace existing office holders who are not Liberal supporters with those who are.

I am very sorry to observe that the fair program of calling for tenders for every mail contract in the last six years in the Yukon has now been discarded. I understand these contracts are being allotted by appointment on the basis of selections made by the government. I think the fair approach would be to call tenders for all of these contracts, so that interested Canadians could bid on them because, after all, they are all taxpayers.

The Chairman: Order; it being five o'clock, shall I rise, report progress and ask leave to sit again this day?

[Mr. Nielsen.]

Some hon. Members: Agreed.

Progress reported.

Hon. J. W. Pickersgill (Secretary of State): It is understood, Mr. Speaker, that when the committee resumes later this day it will take up the various estimates of the Minister of Industry and we will not return to this matter. Perhaps I spoke a little hastily when I replied to the hon. member for Parry Sound-Muskoka (Mr. Aiken).

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, public bills and private bills.

Mr. Jean-Eudes Dube (Restigouche-Madawaska): Mr. Speaker, you will recall that this morning I stated that at this juncture of our business I would ask for unanimous consent to proceed with the second reading of Bill S-46, an act to amend the Quebec Savings Banks Act. Accordingly, by unanimous consent, I would like to move, seconded by Mr. Tardif, that Bill S-46, an act to amend the Quebec Savings Banks Act, be now read a second time.

Mr. Knowles: Are copies of the bill available, Mr. Speaker?

Mr. Deputy Speaker: Has the hon. member unanimous consent of the house to put this motion?

Some hon. Members: Agreed.

QUEBEC SAVINGS BANKS ACT

AMENDMENTS RESPECTING QUALIFICATIONS OF DIRECTORS

Mr. Jean-Eudes Dube (Restigouche-Madawaska) moved the second reading of Bill No. S-46, to amend the Quebec Savings Banks Act.

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

On clause 1—*Repeal.*

Mr. Knowles: This catches some of us as a bit of a surprise. Perhaps we could have a very brief explanation—not the kind the Secretary of State would give—a brief one.

Mr. Pickersgill: That is a reflection.

Mr. Knowles: Which the minister enjoys.

[*Translation*]

Mr. Dube: Mr. Chairman, with your consent, I will try to explain Bill S-46 in the shortest possible time.

Bill S-46 is an act to amend the Quebec Savings Banks Act. Its purpose is to amend

the 1954 act, which had itself been amended in 1957. The purpose of Bill S-46 is twofold:

1. To make it easier for the two savings banks concerned to appoint directors;

2. To authorize the two banks concerned to make loans on the security of first mortgages up to 60 per cent, instead of 40 per cent as is the case at the present time.

You will notice in clause 2 of Bill S-46 that the two banks concerned are:

1. The Montreal City and District Savings Bank.

2. The Quebec Savings Bank.

I believe that the explanatory notes on the bill are plain enough with respect to the results ensuing from the proposed amendments.

There are three clauses in the bill which I move tonight.

The first one is to vary the qualifications required from the directors. According to the present legislation, a director must hold $5,000 worth of stock; the purpose of this bill is to replace $5,000 by 500 shares.

The second clause of the bill is to reduce the value of the shares from $10 to $1 a share. Under the present legislation, a director must hold $5,000 worth of stock, that is 500 shares at $10 each. Now, the shares of the two banks in question sell at a price well above $10. As far as the Montreal City and District Savings Bank is concerned, they sell at $160 each, and as regards the Quebec Savings Bank, $74 each; so that according to the present legislation one must be the owner of $80,000 in shares to become a director of the Montreal savings bank and of $35,000 in shares to become a director of the Quebec Savings Bank.

I submit with respect to the members of the house, and to you, Mr. Chairman, that those amounts are too high. Those two banks have directors aged 70 and over. Those men must be replaced by younger directors and you cannot easily find a young man with ability and that kind of money.

So, the combined effect of those two clauses is to reduce those amounts to some $8,000 and $3,500 respectively.

The third clause of this bill is quite simple. Its purpose is to replace 40 per cent by 60 per cent.

In brief, the purpose of those three clauses is this: the first two clauses are to facilitate the election of new directors in the two banks, and the third clause is to authorize those two banks to lend up to 60 per cent of their deposit liabilities.

Mr. Ricard: Mr. Chairman, could the hon. member for Restigouche-Madawaska (Mr. Dube) tell us for each of the two banks concerned, what is the number of directors?

Mr. Dube: I regret, but I do not have that information.

[*Text*]

Clause agreed to.

Clauses 2 and 3 agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Batten): When shall the said bill be read a third time?

Some hon. Members: Next sitting of the house.

BROADCASTING ACT

AMENDMENT PROVIDING CONTROL OVER COMMUNITY ANTENNA

Mr. D. M. Fisher (Port Arthur) moved the second reading of Bill No. C-30, to amend the Broadcasting Act (community antenna).

He said: Mr. Speaker, this bill should really be read in connection with my companion Bill C-49, to amend the Radio Act. In the Broadcasting Act as it was enacted and assented to in December, 1958, section 10 gives these objects and purposes:

> The board shall, for the purpose of ensuring the continued existence and efficient operation of a national broadcasting system and the provision of a varied and comprehensive broadcasting service of a high standard that is basically Canadian in content and character, regulate the establishment and operation of networks of broadcasting stations, the activities of public and private broadcasting stations in Canada and the relationship between them and provide for the final determination of all matters and questions in relation thereto.

I would like to turn to section 2(b) where "broadcasting" is defined as follows:

> "broadcasting" means the dissemination of any form of radio electric communication, including radiotelegraph, radiotelephone, the wireless transmission of writing, signs, signals, pictures and sounds of all kinds by means of Hertzian waves, intended to be received by the public either directly or through the medium of relay stations;

I would point out that this amendment would change that definition so that "broadcasting" would have added to it:

> The redissemination for commercial gain of broadcast matter by wired transmission intended to be received by private persons.

The reason for introducing this amendment is that I think the national purposes, the national objects of the Broadcasting Act are beginning to be affected more and more by the growth and development of the community antenna systems, or so-called wired systems. On April 17, 1963, the board of broadcast governors, who had referred to this problem a number of times in its annual report, including a reference on page 19 of its report for 1961-62, issued this press release:

The board has for some months now been concerned with the effect of the distribution of television programs by means of cable systems on the distribution of programs by broadcasting stations. The board's concern centres around the fact that broadcasting stations, as a condition of licence, are directed by law to achieve certain national purposes. Distribution of programs by cable system is not so directed. Thus, if the achievement of national purposes is threatened by the use of cable systems, the board feels it should be in a position to draw attention to the conditions which create a threat and to recommend such action as it deems necessary to the preservation of the achievement of the national purposes.

In order to receive evidence, opinions, arguments and suggestions, the board will hold a public hearing on the general subject of the relationship between the development of wired television systems and broadcasting, and broadcasting policy.

The board seeks representations from broadcasters. An opportunity would be given to operators of wired systems to make representations, if they wish to do so. The board is hopeful that groups of citizens who are neither broadcasters nor operators of wired systems will contribute their opinions on the matters outlined in the notice of hearing.

Because of the vital nature of this hearing in the whole area of serving the national purposes through the broadcast media, the board is making arrangements to have the proceedings transmitted on both radio and television.

I do not even know whether the board had the power, but no one questioned their power. Anyway, they did call these hearings and I will refer to them later. I should like to point out that it has been the custom here for many years to have a special committee on broadcasting. In 1960-61 this committee met. I have in my hand a volume of the evidence—it is very thick—and amongst the evidence heard were representations with regard to wired systems. In the final report of this special committee one of the recommendations made was No. 4, which appears at page 992:

That the governor in council consider the expediency of making reference to the Supreme Court of Canada for the purpose of determining:

(i) the constitutional jurisdiction of the parliament of Canada as to those means of electronic communication known as wired systems;

(ii) and, in the affirmative, whether such wired systems are covered by the word "broadcasting" as presently defined under paragraph (b) of section 2 of the Broadcasting Act, 1958.

At those same hearings there was a report of the committee on wired systems. I may not be completely accurate here, because I have not been able to track it down as yet in the hearings, but as I understand it the members of this committee included the Canadian Association of Broadcasters, the Department of Transport, the members of the board of broadcast governors and members of the Canadian Broadcasting Corporation. They presented this fairly substantial report which had a number of conclusions, and I would like to put the conclusions on the record. I wish to do so because I think it is necessary at this time, in suggesting this amendment, that the house should know I am not trying to cut the throats of the community antenna people in any way, shape or form. They perform a very real and important function in many parts of the country. I want to come at it from the point of view of the preceding history and the fact that things are changing very rapidly and we need to do something about it. It seems to me that we need to do something about it in terms of the framework of the national purposes which have been the objective of the broadcasting system in Canada since it was developed early in the 1930's—I might point out, by a Conservative government—and have been carried on and confirmed ever since by succeeding governments, royal commissions and committees of the house. These were the conclusions of this special committee on wired systems:

The evidence of the growth of television broadcasting since 1952, the substantial coverage already achieved, and the emergence of "second" television stations suggests that the policies and regulations designed to advance the national purposes have not been seriously inhibiting in their effects. The comparatively small total coverage of wired systems suggests that the service offered by them has not had a significant retarding effect on television broadcasting generally.

This was in 1961:

In some situations community antenna television systems have provided service where television service was not otherwise possible. To the extent that these systems have extended the coverage of Canadian television broadcast services, they have made a positive contribution to the national purpose; and are continuing to do so.

I might say amen to that:

In other situations where they compete with local television broadcasting, they provide alternative viewing by extension of Canadian and U.S. signals. The extension of the reception of U.S. signals does nothing to advance the national purposes. However, the general effect does not appear to have been significantly detrimental to the national purposes. The operations of some broadcasting stations affiliated with the corporation may be less profitable than in the absence of competition from wired systems; and some reduction in the costs of the national public servcie might result from the elimination of the wired system. It might also be easier for the board of broadcast governors to apply its regulations. But it does not seem that these factors are so substantial as to justify a general extension of controls over wired systems, having in mind that regulations similar to those now applying to television broadcasting would prevent any CATV system from carrying signals of U.S. stations. However, in marginal situations, it must be conceded that the introduction or increase in the service of wired systems could prejudice the national purposes required of broadcasting.

My point here is that in 1961 the effect was not considered inhibiting, but it was pointed out that the introduction or increase in the service of wired systems could prejudice the national purposes required of broadcasting. The submission goes on:

It has been pointed out earlier that there is no doubt that some aspects of the operation of CATV systems could be brought under the terms of the Broadcasting Act. (There is some doubt as to whether all aspects of CATV operations could be included). It has also been pointed out that CATV systems are licensed by the Department of Transport.

That is all I wanted to read from this point of view, except the final sentence, which is:

Because of the board's responsibility—

That is, the board of broadcast governors:

—for the national objectives under the Broadcasting Act, and the similarity between the end results (television reception) of television broadcasting and the closed circuit system, the board of broadcast governors should be expected to keep informed on the development of closed circuit systems, and if necessary to report to the minister on their impact on television broadcasting.

This particular committee report also has an appendix A which sets out the commercial broadcasting and receiving stations, the community antenna television systems and the rules and regulations under which they operate. It is my contention that the situation has now been reached where the size of the community antenna television audience is large enough that we need to consider its impact on the national purpose. It is my contention that we should bring it under the definition of broadcasting in the act so we can be sure that in its future extension it does not cripple the present licence holders and the objectives of the national system.

I should like to point out that I specifically say "commercial" in the bill, because there are a great many community antenna television set-ups in Canada that are formed on a co-operative basis or on a non-profit basis, particularly in smaller towns, or they may be provided by companies in company towns to many of the residents of those towns. My specific purpose is to bring under the act the mushrooming development of very strong, powerful, commercial organizations that are beginning to establish community antenna systems very widely, which are promoted well and in such a way that they are getting the kind of response that is digging very strongly into what I conceive to be the national purpose and the effectiveness of the present licence holders of radio and television stations.

I might refer to the promotional material of Lakehead Videon which operates in my own area. They have gone from a very small number of subscribers until they are up in the thousands now. They do a very good job of pushing their service. I have a kind of brochure of theirs here which sets out how cable television works and points out that subscribers can get three extra American channels as a result of their service. They also offer a certain number of specials, such as fights and other sporting events that are available on their service which, as far as I am concerned, extend them beyond just the normal area and turn them into real competitors of the broadcasting stations. I want to make it very clear that the response to Lakehead Videon in my own area is such that it would be very unpopular if any regulation led to the cancelling of the kind of service they are providing. I would be persona non grata. I want to emphasize again that this is not my intention.

I have a Canadian Press report of the meeting of the board of broadcast governors last June which I should like to put on the record, because it is the best summary I have been able to find and encompasses what took place at their meeting. It is found in the *Gazette* of June 5, 1963 and reads as follows:

Public and private broadcasters sided together Tuesday before the board of broadcast governors in expressing fears of a potential threat to their existence in the event of the development of closed circuit pay T.V. on a national scale.

"They're five feet high and risin'," said R. C. Fraser, C.B.C. vice president for corporate affairs, of the recent growth of community antenna (cable) systems in Canada.

Added Spencer Caldwell, president of the rival privately owned C.T.V. Television Network Limited: "There is a possibility that if cable T.V. reached such proportions that it reduced our revenues and ratings, it would make it difficult for us to achieve our national purpose as broadcasters."

In reply, F. T. Metcalfe of Guelph, Ont., president of the national community antenna television association, said: "Basically, the real threat to a national purpose in broadcasting is that the Canadian viewer wants a choice of service".

He contended that in effect, most of Canada's 322 community antenna systems serving some 200,000 households are only a superior aerial service, making possible improved reception of Canadian and U.S. signals. They were not in competition with broadcasters.

The public session was called by the B.B.G. to give persons associated with the broadcasting industry an opportunity to air opinions about the relationship of wired systems with licensed television stations.

B.B.G. vice chairman Carlyle Allison said the broadcasting industry's concern is with the future extension of wired systems to "the possible detriment of what is called 'free television'." The B.B.G. did not intend to make a recommendation to the transport minister following the hearing, he said, but would provide a summary of opinions expressed so the government itself could determine whether any further actions is required.

The broadcasters differed in their specific recommendations but all were agreed in essence that the possible linkage of community antenna systems into what in effect would be a closed circuit national network would pose a serious threat to them.

I will not go on with the points that were made. It seems to me that is a fairly good summary. I should like to refer to some missionary work that was done by the president of the national community antenna television association of Canada, Mr. Metcalfe. I have been in touch with him, have been

interviewed by him and have had a number of letters from him. One of the points he made to me was that I was carrying a torch for the private broadcasters and he thought this was a most retrograde step for a person identified with my particular party. I want to make it perfectly clear I do not feel like carrying a torch for the private broadcasters, except in the sense that if we in parliament set up a licensing and regulating authority, force some persons to operate under it and then by not acting allow some other kind of agency operating in the same field to come in and undercut the persons we have charged a licence fee and whom we require to do certain things, I think we have a responsibility to look at the situation and see whether it is on all fours with simple equity. It is in this sense that I have brought forward the bill.

Mr. Greene: I wonder whether the hon. member would permit a question. Has the hon. member considered, or can the authorities he cited earlier answer the question whether or not redissemination for purely intraprovincial purposes is within the federal ambit of legislation, or is this not purely a provincial matter if it is within a province?

Mr. Fisher: This is brought up in a number of places in the literature I have, and I am not going to go into it because as far as I am concerned it is a morass. For example, as I understand the situation the Telemeter subscription system in Etobicoke would not be affected by this particular change in the act. My point is that what would be brought under the act by my amendment would be any system operated for a profit that took out of the air Hertzian waves and rebroadcast them to wired sets in homes. That is as far as I want to go with respect to the point the hon. gentleman raised. There are some differences of opinion, and perhaps the minister who speaks for the government in this regard may be able to clear them up.

Finally, in relation to Mr. Metcalfe and the national community antenna television association, I want to say that they made a very good case in the brief they presented to the board of broadcast governors that they should not be put under the act and under the control of that board. Personally I do not feel their case is good enough. I think that the extension, particularly in terms of the skill and the capital they have behind them, is such that the thing is really going to become sweeping. I know, for example, that the owner of the Montreal Alouettes, Mr. Workman, intends to get into this field—I believe he is already in it in order to push his football games and other sporting events. I know that at the present time there is a set-up in Toronto for the rebroadcasting of certain hockey games which may be extended. I feel that this bill would not apply to the telecasting of Montreal Alouette games by means of a wired system, as long as the actual picture presented is not taken off something which is sent out by means of the so-called Hertzian waves. I know from contacts I have had that the wired systems are growing in number very quickly. It is only logical to assume that in the very near future they will be in a position to provide what is in effect a network. I am not concerned, and I do not think other members should be, over the kind of financial set-up they may have or how they extend their system. But when you have in effect a system which is competing in the same kind of programming with the licensed stations and with our national corporation, it seems to me it is time we acted.

It was more in the spirit of encouraging the government to accept what I think is their responsibility than with any intent to create havoc among the community antenna people that I brought forward this bill and a sister or brother bill to amend the Radio Act. If the Secretary of State (Mr. Pickersgill) would care to make a comment from the point of view of the attitude of the government on this question, I am sure not only I but everyone in broadcasting would be very interested in his remarks.

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I do not intend to take up very much time in what is an hour which I think should be properly devoted to members of the house who do not sit on the treasury benches, but the hon. gentleman has invited me to express a view and I feel that this is a matter of very grave national importance.

In the 1920's when radio broadcasting began to grow in this country it was the view of the government of that day, a view shared in the early thirties by the Conservative government which succeeded the government in office in the twenties, that radio broadcasting could have such an important influence upon our country that it was a matter of major concern to Canada, our being, as we were then and still are, a country with a population about one tenth that of the country to the south of us. The governments of those days felt it was important that radio broadcasting should therefore be Canadian.

I do not think that importance has diminished one whit with the years. We have taken the view about private corporations that broadcast as the hon. member for Port Arthur (Mr. Fisher) has indicated, that they must be licensed by the public authority. We have also taken the view that they must be owned

predominantly by Canadians, and I think that that is the right view to take. I do not think that anyone in this house of any party would seriously argue that there should be allowed to take place any development that it is within the power of this parliament to control or to legislate about, which would indirectly undermine what has over a period of 40 years—indeed, ever since the beginning of broadcasting, or licensed broadcasting, assumed any real importance in our community life—been regarded as a matter of national importance, a matter perhaps affecting the very existence of our country as a separate entity. With television, of course, I think the influence is far more pervasive.

This community antenna system has many things to commend it. I am in complete agreement with the hon. member for Port Arthur that a community antenna system which merely provides better reception for broadcasting in any given area is highly to be commended, and perhaps it is the only way that many communities in this country which are somewhat remote and isolated, particularly in constituencies like those represented by the hon. member himself and by me, can expect to get good reception.

But it is quite another matter if a system is to be created which can do indirectly what we do not permit broadcasters themselves to do directly. If community antennae are to be put up in places like Winnipeg and Vancouver for the purpose of bringing in United States stations which would not be allowed to broadcast in Canada, then it seems to me it is perfectly clear that the intent of parliament, which I believe must have influenced every successive government which believed in the view that it is the intent of the Canadian people, is thereby being circumvented.

In the few months I have been a minister I have taken a very serious view of this problem, as has my colleague the Minister of Transport (Mr. McIlraith) as well. At the present moment, or almost at the present moment because this morning I read one of the papers on the subject in the few minutes I had before coming into the house, we are giving very careful consideration to recommendations which we feel we ought to bring before our colleagues as to possible courses of action in this field. I have not, and neither has the Minister of Transport, had the time or the opportunity yet to discuss this matter with my colleagues. Therefore I am not attempting, and it would be wrong for me to attempt, to indicate what disposition the government feels it should make of this matter or what disposition it feels it should ask parliament to make.

I have the impression—this is one reason the hon. gentleman has, of course, introduced the bill—that there must be some amendment to the law, if there is to be any kind of effective control of competition of a kind which would not be permitted by broadcasters themselves, Canadian broadcasters, in this field. It seems to me that it is very likely that there will have to be legislation of that sort; but precisely what form it ought to take, how far it should go, and so on, is something which it would be very presumptuous of me, with the rather scanty information I have on the subject, to attempt to say at this stage. However, I have no hesitation in saying that the position of this government, and I hope it is the position of the whole house, is perfectly clear—that we intend to do everything we can to see that broadcasting remains substantially, to the greatest degree we can reasonably make it, Canadian.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, along with the Secretary of State (Mr. Pickersgill) I have been a member of the broadcasting committee, and I think this was one of those points on which the hon. gentleman and I were in accord without too much difficulty during the hearings of that committee. Over the past years I had a considerable amount to do with broadcasting, in my position of parliamentary secretary to the minister of national revenue; and this matter was one which exercised me a good deal.

It has been suggested that the Broadcasting Act and the Radio Act were not sufficiently broad in their wording to include what is really known as broadcasting by wired systems. With all due respect to the hon. gentlemen who held that view, I felt there was a very strong argument that the act as presently designated covers the subject matter. It will be remembered that the question of federal jurisdiction over broadcasting was referred to the supreme court many years ago and the reference at that time included dissemination by means of Hertzian waves. If we look at the act itself, at section 2(b) we find a definition of broadcasting given. Since "broadcasting" includes the dissemination of any form of radio electric communication intended to be received by the public either directly or through the medium of relay stations, I think there is a highly arguable case for the contention I am now putting forward. In line 2 of paragraph (a) of clause 2 of the bill, after the words "radio electric communication" the text goes on to say: "including—" —that does not mean including exclusively; it means "including"—"radio telegraph, radio telephone, the wireless transmission of writing, signs, signals, pictures and sounds of all kinds by means of Hertzian waves intended

to be received—", and so on. Notwithstanding a good deal of argument to the contrary, I have not been persuaded that my interpretation of the act in this regard is entirely wrong.

Mr. Fisher: Would the hon. gentleman permit a question? Would he not agree that up to the present time both the broadcasting industry and the sponsors of community antennae have taken the attitude that the definition does not cover these systems?

Mr. Lambert: In that regard, I know the advice given to various bodies has raised some doubt about whether they are covered. Without telling tales out of school I think it would be fair to say that the board of broadcast governors, who are concerned about this matter, felt it might be unwise for them to embark upon a program of controlling this form of broadcasting activity only to find, perhaps after having been taken to court, that they had no authority to do so. I suggest it is for that reason they have not acted. This is a lawyer's law. As long as it does not hurt anyone too much, it is difficult to get an amendment passed.

If this proposal were to be acted upon now, I would be in favour of it. I am fully in favour of what the hon. member has proposed, and I think the Secretary of State, too, is ad idem with the hon. member. It has been the purpose of the Broadcasting Act and of all parliaments since the 'thirties, emphasized and underlined by successive royal commissions and governments, both Liberal and Conservative, that there should be no division in this regard and that broadcasting is to be the subject of a definite aim. We have a national broadcasting policy outlined in the Broadcasting Act which prescribes the duties of the board of broadcast governors on the one hand and of the Canadian Broadcasting Corporation on the other. As to the proposition put forward with regard to these isolated areas, these community areas where the system proposed would ensure a clear signal to those with television sets, that is all right. But even now—and I could cite cases—applications to build a reception tower with a microwave relay to another tower for dissemination thereafter by cable must be submitted under the Radio Act to the Minister of Transport, and there is an informal reference to the board of broadcast governors. There is already partial control but it is not as overt as it should be.

What is the danger about informal broadcasting? It is, really, what I consider to be the possibility of creating glorified satellites of United States stations along the southern border of our country. We have set up regulations which govern the operation of our Canadian systems. These look to the financial stability of applicants. Licences are withheld or deferred on the basis of economic considerations. Yet if it is permitted to establish without restraint wire systems which are, in effect, satellites of non-Canadian stations we would be defeating the whole purpose of our broadcasting policy. I know there are some of these so-called wire systems which are really baby stations. At certain periods during the day they introduce news broadcasts and sports broadcasts into their program schedules. Where does one stop? One might then introduce local programs.

Mr. Fisher: And commercials.

Mr. Lambert: Yes. The hon. member for Port Arthur says you begin to slip in the odd commercial. This is natural and you would then have a baby station operating without any control.

I, myself, think such stations must be brought under supervision of the board of broadcast governors. I would have hoped to see this done earlier, because millions of dollars have already been invested in this direction and if action is deferred too long the situation becomes set, economically. Suppose legislation is then introduced to bring these wire systems under the control of the board of broadcast governors. There may be good reason why some of them should be eliminated; yet this could not be done because to take action would be to operate to the detriment of a business established quite legally under the law as it existed.

However, as I say, my view is that the board of broadcast governors already has power in this regard under the interpretation I have placed upon the act. Perhaps the quickest way to solve this difficulty would be for the board to act on one of these cases —to have one of these companies summoned to court to show cause. This might be quicker than trying to get the government to amend the act. I do not know. But with the purpose or objective of this bill I am in full accord, though I hope action can be taken without the formality of making an amendment at this stage.

[*Translation*]

Mr. Yves Forest (Stanstead): Mr. Speaker, I must say to the hon. member for Port Arthur (Mr. Fisher) that, personally, I do not share at all his opinion with regard to his proposed object in introducing this bill.

Those sections which complement Bill C-49 are very short; indeed, it is not a question of changing the definition of the term "broadcasting", but only of giving it a broader sense. However, I believe that this bill could seriously affect a very great number of T.V. viewers.

This proposed amendment of the Broadcasting Act and Radio Act will result in placing T.V. community aerials systems or other similar operations under the control and supervision of the board of broadcast governors, if I understand the explanatory notes accompanying the bills.

Personally, I feel that the board has enough authority as it is, and that it should not be allowed to interfere in a field which is not its concern, especially in view of the nature of this system and of the service it renders.

In addition, I truly fear for the freedom of viewers who can now select the program or channel of their choice. Indeed, under Department of Transport regulations, licenses are issued only for systems which meet the technical and mechanical requirements concerning, for instance, the height and location of antennas, the type of cable used, the territory served, and the signals which are received and transmitted.

Mr. Speaker, I also feel that the result of those regulations is to restrict the broadcasting of television programs by cable to the waves that can already be received in a given area through proper equipment or antenna.

It is essential, of course, that regulations should be applied to ensure the orderly and proper operation of this system.

In order to be in a position to decide whether it is advisable or necessary to pass this legislation, it would be necessary to know something about the services rendered by this system and the part it plays in the broadcasting of programs.

At present, television signals are picked up by two mediums in areas more or less distant from broadcasting stations; first of all, through the adjunction of one or several individual antennas, which is the first and only method possible in many areas. Generally, this method is rather costly for the owners of television sets. In addition, it involves a great deal of inconvenience, without ensuring an adequate reception in spite of the high standard of the receiving set or of the broadcasting stations.

On the other hand, a group of individuals or a corporation may set up at a location that lends itself to the reception of waves, a tower or powerful community antenna that would surely be more costly, but the cost of which could be divided among all users. They would thus be assured of a much better reception from distant or low-power stations, as well as of a wider variety of programs.

In short, this is only an extension of the usual antenna, except that a main antenna is located in a place where reception is better and where interference is reduced to a minimum.

This antenna, as any another ordinary antenna, can only pick up signals which can already reach a given area. It neither reduces nor adds anything to the broadcast, it does not alter in any way the waves which are merely picked up and retransmitted. It is an absolutely passive element which moreover does not interfere in the public field.

It can be claimed, that in such a case, the need has created the means.

Some ten years ago, there were few, if any, such organizations in this country.

Today, there are more than 300, with an average of 800 subscribers for every system. A total of 240,000 homes, that is about a million people, are served by such systems.

And more than half of those systems operate in the province of Quebec.

I remember that about ten years ago, more particularly in the eastern townships, we had to set up expensive individual antennas, which frequently did not work because of storm damage, on account of the distance from Montreal, for topographical reasons or due to the mountains around us. In fact, we were getting better pictures from stations on the other side of the border, in the United States, and I think that this was the case of all areas near the American border.

Now, thanks to that system, we are able to watch Canadian stations, and more particularly those of Montreal, which was formerly impossible.

And we now have a choice between two fine relay systems, and can enjoy television of a quality we never knew before.

Those systems are appreciated by all their users. They supply us with very high-grade television at a very reasonable rate and they enable us to watch Canadian programs in our district, which are generally excellent, even if there is room for improvement.

The subscribers have a diversified choice and are completely free to watch whatever program they like.

The local broadcasting stations have no reason to fear such a system, for it multiplies the number of telespectators and thus increases the audience which can enjoy its favourite programs.

Mr. Speaker, I suggest that any additional regulations would be unnecessary and unwelcome. It might interfere with the liberty of the individual, who wants to be able to choose whatever program he pleases.

Mr. Speaker, I see that it is six o'clock. I had several things to add. I hope that I will be able to continue my remarks if and when Bill C-49 comes before the house.

[*Text*]

The Acting Speaker (Mr. Batten): Order; it being six o'clock, I must advise the house that

the hour for consideration of private members' business has expired. Since the business for this evening will be the consideration of the estimates for the Department of Industry, would the house agree to go into committee of supply now?

Some hon. Members: Agreed.

SUPPLY

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

The Deputy Chairman: It being six o'clock, I do now leave the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 7 p.m.

The Deputy Chairman: Order; house again in committee of supply on the estimates of the Department of Industry.

DEPARTMENT OF INDUSTRY

1d. Departmental administration, $665,000.

Mr. Drury: Mr. Chairman, the last time the estimates of the Department of Industry were under consideration it was suggested that a statement would be made by the Minister of Industry on the various activities with which he was charged, covering all of them; that this might well be followed by general statements by hon. members on all of these activities; and this would be followed by a detailed examination of the estimates of each of the several departments in the order I indicated.

The order I suggested was first the Department of Industry, then atomic energy, then the Department of Defence Production, the national research council and finally the department of public printing and stationery. I have made some remarks regarding the Department of Industry and regarding atomic energy, and this evening I will speak on the activities of the Department of Defence Production, the department of public printing and stationery, and finally the national research council.

Under the provisions of the Defence Production Act the Minister of Defence Production has exclusive authority to buy or otherwise acquire the defence supplies required by the Department of National Defence. Although the Department of Defence Production was itself established in 1951, the government's policy under which defence procurement is undertaken by a separate civilian agency dates back to the early days of world war II. As I pointed out to the special committee on defence on July 30, at that time—

> —the Canadian government decided the procurement of goods and services required for defence purposes would be under the control of a separate civilian organization staffed by people who, through experience, had become experts in the purchasing field. This permits the Department of National Defence to concentrate on military functions and, through unified buying procedures, tends to reduce the costs and bring the taxpayer the best possible value for the dollars that are spent on defence material.

This responsibility for the procurement of defence supplies is of very great importance. However, there are other additional responsibilities which are of almost equal significance. My department has the responsibility for defence development and production sharing with the United States, defence export activities with other friendly countries, and the co-ordination of Canadian activities in connection with the research, development and production program of the North Atlantic Treaty Organization.

In addition the government has adopted certain recommendations of the royal commission on government organization in respect to the establishment of a central purchasing agency to serve all departments and agencies, both civil and military, of the federal government, other than commercially oriented crown corporations, and also in respect to the transfer of certain responsibilities of the department of public printing and stationery. These decisions are of great importance to the Department of Defence Production, and I shall deal with these matters in greater detail later on.

As will be seen from the estimates which have been tabled, the most significant increase over the 1962-63 estimates is found under vote 25 covering development sharing. The purpose of vote 25 is to sustain technological capability in Canadian defence industry by supporting selected defence development programs. This has stimulated development activity to a marked degree. It has resulted too in other benefits such as maintaining capabilities and putting the companies in a position to obtain work in related fields. Initial sales of doppler navigation equipment, sonobuoys, Caribou STOL aircraft and turbo aircraft engines, for example, indicate yield ratios of 10 to one in dollars spent for development to export sales received. One project, which was assisted financially to the extent of approximately $1 million, has accomplished $30 million in defence sales.

Another item which I have mentioned is the Canada-U.S. defence production sharing program. This has resulted in 4½ years of useful activity in Canadian industry. This

program, in essence, aims at optimum mutual utilization of the Canadian and U.S. defence industrial capability. Arrangements include providing equal opportunity for Canadian industry to participate with U.S. industry on the competitive bases of price, delivery and technical competence to meet North American defence requirements.

Sustained effort in the past four years by both governments and their defence industries has resulted in such major achievements as the exemption of certain Canadian defence material under the provisions of the buy American act, the duty free entry of such material into the United States, and increasing response of Canadian industry to United States defence procurement opportunities. Defence development and production sharing ramifications have become widespread throughout Canadian industry, and a large proportion of Canadian research and development capability is oriented towards United States and mutual defence requirements.

In terms of Canadian industrial activity generated by the program, the total of United States defence production sharing business placed with Canadian companies in the 4½ years to the end of June 1963, amounted to about $657 million. For the last full calendar year, 1962, this business totalled about $254 million. This was a 75 per cent increase over 1961, due largely to contracts for Caribou aircraft and a contribution by the United States to the joint Canada-U.S. F104G aircraft program. On the other hand, Canadian defence production sharing business in the United States amounted to some $127 million in 1962. The total for the 4½ years of the program is about $574 million. While the balance of production sharing business between Canada and the United States had been some $47 million in favour of the United States at the beginning of 1962, it had at least temporarily reversed by the end of June, 1963, to about $83 million in Canada's favour. This achievement of mutually advantageous reciprocal procurement I consider to be very worth while indeed. Over 300 Canadian companies have received contracts since this program began, and the achievements of some of these companies is a clear indication that participation in the United States defence market is of outstanding benefit. I feel that Canadian industry deserves great credit for its efforts in this regard.

Both the Canadian and United States governments have recognized that Canada's ability to participate in future defence industrial production programs would be lost without continuing research and development projects in Canada, and the future role of Canadian defence industry would therefore be confined to the production of the more simple items of hardware. As a consequence, our ability to contribute to equipment programs for the defence of North America would be seriously weakened. Since 1959 substantial sums have been provided to assist Canadian companies to undertake development projects for both United States and other allied programs. As a result, a significant amount of research and development work has been stimulated in Canadian industry. Since 1959 to the end of August, 1963, a total of some 130 development sharing projects valued at about $76 million have been initiated in Canadian industry with funding support from the government, Canadian industry and other governments. Of this total, Canadian government support from vote 25 amounts to $32 million. Clearly there is now a greatly increased awareness in Canadian industry of the need to undertake research and development activities. To further reinforce this development sharing activity the United States secretary of defence and I have this month signed a memorandum of understanding in the field of co-operative development between our two departments.

My department's efforts in the development field are co-ordinated with the defence industrial research program which was initiated in 1961 by the defence research board. This program represents another step forward in our efforts to maintain Canadian scientific skills, and to ensure that the results of government defence research are made available to Canadian industry so that our industry can participate more effectively in the development and supply of defence equipments needed by the United States and other allies.

In concluding my remarks on production and development sharing, I want to emphasize the importance that is attached to this program of co-operation by ourselves and by the United States government. I refer to my report to the house on June 7, following my meeting with the United States secretary of defence, when I said in part:

> Our meeting was held in a spirit of great cordiality and reaffirmed positively the intention of both our countries to continue to support a defence production sharing program. Assurances were given that the difficulties experienced by both countries in respect of balance of payments problems should not be allowed to interfere with the continuation and enlargement of this program—
>
> The maintenance of a general balance of our reciprocal cross-border procurement of equipment seems the best answer to concern at the drain on foreign exchange reserves through such procurement.
>
> For the future, as in the past, Canada expects to procure from United States defence industry those items which it does not make economic sense to try to produce in Canada. In return we look to continuing opportunities for Canadian industry to supply United States defence requirements where Canadian companies can compete on the basis of price, quality and delivery.

I should now like—

Mr. Fisher: May I ask the minister a question, Mr. Chairman? Will the minister have any time in the course of his remarks to speak to a program such as the Bobcat or our aircraft production, in terms of the difficulties of obtaining any defence sharing arrangement with the United States, so that they take some of our goods?

Mr. Herridge: We want to hear about the Port Arthur bobcat.

Mr. Drury: It was not my intention, Mr. Chairman, to cover those particular topics in these general remarks; but if there is interest in them, I will be very glad to report later on. I should now like to review the departmental role in the NATO program of co-operation in research, development and production and in the field of overseas defence export activity generally.

Unilateral weapon development is gradually becoming a thing of the past in most countries and this trend has a particular and critical significance for Canada. Our defence industrial planning must, therefore, to an increasing degree take into consideration foreign as well as Canadian military requirements and must be harmonized with defence development and production plans of NATO and other allied countries. Today, more than ever before, national efforts to participate in defence production programs of other countries are being intensified and international collaboration in defence research, development and production is possible only where appropriate government to government arrangements are established within which sales activity on the part of industry can achieve positive results. The primary role for government in this field is, therefore, development of bilateral, trilateral or multilateral arrangements based on specific areas of national technical capability which can be utilized to meet common requirements.

In planning the current re-organization of the department, careful attention has been given to the establishment of a management group which can provide effective central direction of our over-all department defence export activities as they relate to United States and other NATO and allied countries. While the Canadian Commercial Corporation has played a valuable part in these departmental activities, its function has been gradually assumed over the years by the Department of Defence Production. Complete integration of the working staff of this crown corporation into the department has now become essential. Accordingly, arrangements are in hand toward implementation of the recommendation of the royal commission on government organization that management and staff for activities of the corporation be provided by the Department of Defence Production.

A new international programs branch is being established to consolidate these activities of the Canadian Commercial Corporation with the staff co-ordination work of our United States and overseas divisions and thus to provide effective guidance and control of all of these elements of our departmental defence export activities within a single branch.

My department is responsible for co-ordination of Canadian activities within the NATO program of co-operation in defence research, development and production and provides the Canadian representative on the NATO armaments committee which administers the program. Arrangements are now in hand for strengthening this representation.

Canada has submitted for consideration by NATO groups a number of projects in the aircraft, armament and electronics fields. Canadian aircraft and electronics firms have submitted design proposals in response to specific NATO requests. There has been a broadening of the exchange of information on national research, development and production programs. As a concrete result of our active participation in the NATO armaments committee, and on the invitation of Canada and the United States, four other NATO countries are participating in a co-operative research and development program on a counter mortar radar being developed by a Canadian firm. A Canadian-Norwegian plan for joint production of our combined requirements of the M72 light anti-tank rocket has been approved as a NATO program. Other NATO countries have been invited to consider participation in the Canada-United Kingdom joint development of a short range surveillance system using an unmanned aerial vehicle known as the CL-89.

May I restate the responsibilities of the Minister of Defence Production as being, first, to procure the goods and services required by the Department of National Defence and, second, to ensure that the necessary production capacity is available in Canada to support our defence production program. These responsibilities form the basis for our over-all departmental defence export activities which include the defence development and production sharing program with the United States, armament co-operation within NATO, and bilateral defence production arrangements with NATO and other allied countries.

The increasing tendency toward complexity and high cost in weapon development and production make it essential that every avenue of co-operation with our allies be explored

in efforts to make the most effective use of our respective national resources in terms of funds, manpower and technological capabilities. At the same time we cannot overlook the benefit to the Canadian economy of performance in Canada to the greatest extent possible of the research, development and production associated with advanced weapon technology.

There are two additional matters which already have been of great importance to the Department of Defence Production and which will no doubt be of even greater significance in the future. These are, first, the recommendations of the royal commission on government organization and, second, the establishment of the new Department of Industry.

The royal commission on government organization, better known as the Glassco commission, included in its report the following recommendations, in addition to that already mentioned in respect of the Canadian Commercial Corporation:

That a central purchasing agency be established to serve all departments and agencies, both civil and military, of the federal government other than commercially oriented crown corporations.

That the Department of Defence Production be renamed the department of purchasing and supply and its responsibility be extended to include procurement for civilian departments and agencies.

That the new department of purchasing and supply be given the responsibility in conjunction with user departments and agencies for developing standard specifications for all appropriate items.

That the department of purchasing and supply develop warehousing, stocking and materials handling services across Canada for all departments other than the Department of National Defence and that a traffic advisory group be established within the new department with the responsibility of improving traffic management throughout the public service.

These and other recommendations of the Glassco commission, with the exception of the renaming of the department, have been adopted by the government, and the Department of Defence Production is now making plans for the implementation of such recommendations.

Among the other recommendations of the Glassco commission was also one which advocated the division of the department of public printing and stationery into two independent units, one to be absorbed by the proposed central purchasing agency which I have just mentioned and the other to be headed by a queen's publisher.

The government has chosen this recommendation as one of the first to be implemented and since August 21 the control of the procurement, purchasing and stores branch, the production branch and certain other of the branches of the department of public printing and stationery has been the responsibility of the Department of Defence Production.

The queen's printer is directly responsible to me in my capacity as Minister of Industry for the publication and distribution of government documents. I consider these changes to be a significant move in line with the recommendations of the royal commission.

The proposed role of the queen's publisher involves questions of some technical complexity as well as considerations of a policy nature. This matter is now under consideration.

I should now like to outline a few of the considerations relating to the national research council. The functions of the national research council cover four broad areas:

1. To advise the government on the position of science as a whole;

2. To promote and encourage research in the universities;

3. To operate a system of laboratories directed toward fundamental science and toward applied science in fields which fall outside the specific responsibilities of other government departments and agencies;

4. To promote research in industry through the industrial research assistance program, and to give assistance through the technical information service.

In order to keep pace with its increasing responsibilities, the council has developed a continually expanding group of committees for the purpose of co-ordinating research and the various aspects of technology. At the present time the membership of such committees is approximately 3,400, drawn from the national research council itself, other federal government organizations, provincial organizations, Canadian industries and universities. This committee structure has had a most important effect on Canadian scientific co-ordination. With the expansion of research in industry it becomes particularly important to co-ordinate research undertaken by various organizations, and to make certain that all interested parties are aware of what others are doing, in so far as this may be feasible without interfering with commercial secrecy or competitive advantage.

The research council is also actively concerned with international science and, particularly in recent times, this has begun to impinge more extensively on international affairs than formerly. There are two aspects of international science: First, the benefit which Canada can obtain through her contacts with other scientific groups and, second, the co-operation which can be extended in large international undertakings such as the international geophysical year, the year of the quiet sun, the coming hydrologic decade, all

of which have yielded and will continue to yield important and useful results to all participating countries and indeed to the whole world.

To meet its obligations to foster research in Canadian universities increased expenditure will be necessary, and this can be expected to increase steadily for the foreseeable future. The graduate student population of the universities is increasing about 20 per cent per annum, and since a significant percentage of national research council grants supports these students, directly or indirectly, and since science is becoming more and more complex, requiring more expensive instrumentation, an increase of a minimum of 20 per cent is necessary merely to maintain the same level of research as that of the past fiscal year. The N.R.C. grants give university staff members an opportunity to pursue their research and to inspire an increasing number of students to proceed to advanced studies. Canada enjoys a high reputation in world science despite the fact that her expenditure on civilian science is low compared with that of most other advanced nations. In a world in which science plays a dominant role research will need increasing support if Canada is to achieve a competitive position.

The medical research council is continuing to operate as an autonomous body within the administrative framework of the national research council. It is the primary aim of the medical research council to promote the broad field of medical research in Canadian universities and their affiliated hospitals and institutes. It provides grants in aid of research projects carried out by established investigators, and as well personnel support in the form of associateships for highly qualified research workers, and fellowships for young doctors wishing to advance their research training and to provide the essential personnel for an expanding medical research program so essential for our welfare.

Increasing demands have been made on the N.R.C. applied laboratories for the benefit of Canadian industry, and over the past years the laboratories have been of assistance to many segments of industry, including the aircraft, construction, chemical, electronics and food industries, and further facilities are necessary to meet some of the demands. A new supersonic wind tunnel is nearing completion and will provide an additional facility for the aircraft industry.

The national research council library provides an important service to all segments of Canadian science, and it is being used extensively by universities and industry, and has been recognized as the major science library of Canada.

[Mr. Drury.]

With respect to industry, the research council devotes its attention mainly to secondary industry, since the primary industries are assisted to a large extent by other government department and agencies, for example, the Department of Mines and Technical Surveys, the Department of Agriculture, the Department of Forestry and the Department of Fisheries.

In the previous fiscal year, the council undertook a program to assist research in industry. This program was in effect during the latter part of the fiscal year only, but the projects initiated will, in practically all cases, be continued for the full current fiscal year. As a result of this the new applications anticipated, a substantial increase in the vote is necessary if the program is to be continued at an effective level.

Mr. Churchill: Mr. Chairman, I do not intend to speak at length at this particular stage of the discussion of the estimates, but from considerable experience in the House of Commons I realize that it is necessary to record dissent at certain times; otherwise later on someone will rise and say that no one objected to a certain course of action, and we will be pursuing the matter again. Therefore I now record my dissent to this method of dealing with a large number of estimates under the Department of Industry. I understand the circumstances which have brought this about, but I want to make it clear that in the next session of parliament we would ask for the estimates under this minister to be taken in a different way. Rather than have a comprehensive statement by the minister covering the five or six areas for which he is responsible, we would prefer to revert to the practice which has prevailed in the past of taking these matters separately, so that debate on each area of responsibility is related directly to the estimates under consideration. We are in some difficulty here tonight. Various hon. members may wish to speak on any one of these half dozen items and we may get the debate rather mixed up, just as the minister's statement was a cumulative effort.

The reason we are going to be helpful to the minister is simply because we know that on interim supply which was in front of us today, the government is requesting money for the ninth month in the fiscal year. In other words, three quarters of the total amount of money required to operate government institutions and efforts will be voted by the house through the method of interim supply. It is rather pointless then to deal with the estimates item by item, scrutinizing every single dollar of expenditure, when nine twelfths already has been expended.

The other consideration is that as a responsible official opposition we are interested in bringing this session to a close before the Christmas recess. We are not taking the attitude or the stand which was taken by the irresponsible official opposition of last year which refused to pass a single estimate of the estimates which were placed before it. So in that co-operative mood, all I am doing now is making sure that our position in the next session will not be misunderstood, and we would ask at that time that the Minister of Industry deal with his estimates for the Department of Industry and let the house comment on them, then move on to defence production with appropriate comments, and then the other items which he has under his authority.

Let me say I fully appreciate his difficulties. He has so many departments or crown companies to supervise that he is a thoroughly overburdened minister of the crown. I went through that myself, Mr. Chairman, with the duties of atomic energy, national research council, medical research council, at one time Eldorado, over and above the Department of Trade and Commerce. Superimposed on that were my government house leader duties, and I have forgotten what other problems were shifted to my shoulders. So I sympathize with this minister who has obviously become the workhorse of the present Liberal government.

So far as the Department of Industry is concerned, the estimates there are the only ones which are new, brought in by way of a supplementary estimate. We presented in this house our objection to the setting up of that Department of Industry. We had rather an extensive debate on it at the time, and we are still not very happy with regard to that arrangement. A very prominent businessman suggested to one of my colleagues the other day that the minute we again resume office —and he is a Liberal and anticipates this event—we should abolish the Department of Industry and put the field it encompasses back where it belongs, under the Department of Trade and Commerce; so we will take that under advisement.

As I say, some of our members will be speaking about the Department of Industry. I thought the minister should have continued immediately with defence production when he had finished with his department, but he interposed the atomic energy field between those two and then came along with national research. It is unfortunate to mix them up like this. If I get the opportunity later this evening, I may have something to say with regard to atomic energy and national research, and I will particularly ask the minister some questions with regard to those fields of activity. With regard to the medical research council, he might as well have ready an answer to the question whether or not he is going to bring in legislation next session concerning the council, because that was one of the plans we had under way. We have been given a mixed bag to deal with. I do not intend at this stage to talk about these things seriatim. I merely indicate and record permanently on record in *Hansard* my dissent from this method of dealing with these estimates.

Mr. Fisher: There are a number of items with which I could deal this evening but I imagine I shall only have time to consider one or two of them. I know my colleagues are anxious to discuss a number of topics and I am sure we shall have the minister before us for some time. I do not know whether he should be congratulated or not for bringing such a large bevy of officials with him. It is embarrassing to us to see those packed benches in one place and the scarcity in another.

Mr. Churchill: There are 15 on that side. They are outnumbered by the officials.

Mr. Fisher: Some remarks have been made about the loyalty of the civil service. Now we can see it.

The subjects of the Department of Industry have been debated so much this session that it is difficult to find anything new and relevant to say, but I would draw the attention of the committee to something which happened in my own area—something which I thought was bound to happen. There is now a concerted effort by the industrial and municipal groups in our area to be classified as a designated area, despite the fact that the formula, about which I have complained earlier, will not qualify the area to become so designated, at least not for several more years when conditions have got a great deal worse than they are now. The Minister of Finance told us a few weeks ago that certain adjustments to this formula were being considered and that more variables would be taken into account. I would like to have been given more information about this. I read the text of the speech the minister made last Friday and I do not recall he had anything to say about this aspect of the matter. I am sure there are other places, in addition to northwest Ontario which are beginning to stew about this question. The gist of the request is: why cannot we share in these advantages which are to come from the establishment of the Department of Industry and the tax concessions which are to be made? Advertisements for personnel to staff

the department have appeared in papers across the country. I know, having gone through the newspapers in the reading room, that a considerable bill for advertising has been incurred. I have seen at least five or six editorials in small papers commenting on these advertisements, the salaries offered, the qualifications desired, and so on.

To my mind, a certain puzzlement has arisen, one which the pamphlet which has been published cannot answer. How are these officials to work, and what administrative framework is to be set up? I know the deputy minister has been making speeches in various places, because I have seen the reports. I know the minister has commented on the reaction of Manitoba to the Department of Industry. I do not know how much truth there is in this, but I hear there was a blow-up or at least some criticism expressed at the federal-provincial conference on the subject of the department after the minister had made his explanation. I understand the minister had a pitched battle in one of the corridors with Mr. Eric Kierans of the province of Quebec. That is just tittle-tattle, but I am sure of this: The Department of Industry and its policies have been the subject of discussion and explanation while the provincial ministers have been down here. I think we should be brought up to date as to those discussions and be told what response the minister received. I assume, since he has not been here in the house so much this week, that he has been attending the conference and, knowing him, I assume he has not been sitting there like a dummy without making any contribution.

Like many other people, the minister must, I am sure, realize that his new Department of Industry is in a somewhat precarious position in terms of general acceptance, or in terms of popularity, and the sooner its function is clarified and popularized, the sooner we see some evidence of people out in the field working with the local regional development groups, the more quickly will it be able to perform those tasks which we can expect it to perform. With regard to what was said by the hon. member for Winnipeg South Centre to the effect that if and when the Conservatives came back to power they would abolish the department, I am sure we were reminded of what Ross Thatcher was going to do about medicare. If the department gets running and functioning well, we shall not have to worry about any subsequent government destroying it.

The main question asked in my region and by the people I encountered in Manitoba and southwestern Ontario about the Department of Industry is a simple one: How is it going to work with the provincial groups which are already in existence; how much flexibility will there be in this relationship? The main problem seems to be this: Who will take the lead? We all know the steps which have been taken by Manitoba and I am sure we shall hear more about them, because I see the hon. member for Marquette is there with that massive volume about Manitoba's plan between 1962 and 1975. What is to be done in Ontario? What is to be the relationship with the regional development councils and the development associations in the various provinces? When are we to be given some idea as to the degree of initiative which is to come from the provinces and from the federal government in terms of projects. This is important.

We saw what I think was the best piece of legislation passed by the former government, that is, the ARDA legislation, lying on the counter for a long time before it was picked up. There was, and still is, a great deal of confusion in many parts of the country about what could be done with ARDA. There was uncertainty about its implementation. I know a period of more than two years passed in Ontario before Mr. H. F. Crown was appointed by the provincial government, and a response was forthcoming from the province. It is still not certain, as far as ARDA is concerned, whether the initiative should come from regional groups or from the provinces, or whether it is for the federal government to take the initiative. Indeed, I am confident, from what I know of ARDA operations, that all those concerned are still hazy about it. I suggest to the minister that he will not be able to afford the maturity period which ARDA has been allowed. I say this because I think the pressures in this area, where employment is concerned, are much sharper in the case of the new department. This is why I would have appreciated—I will not say "more candour", because it is not easy to see how there could be much more candour when there is nothing to be candid about—but I would have appreciated more detail about how the process of building up the department is going on. How many men has the minister hired? What is their quality? Where did he stand in the competition? Where are the advisory offices to be established? What research assistance is to be available to the outer offices?

Information of this kind would be important and useful. It would have a definite bearing on the department's future. I know the deputy minister has been speaking about this in Ottawa but the reports are in general terms. I think some of this information might be given in greater detail during this debate.

The next thing I wanted to touch on is something that is dear to my heart, as the minister knows, and that is the question of

government printing and publishing. It has always been my suspicion since I arrived in Ottawa some years ago that this is one of the least efficient operations of the government. Most of us remember the reckless doings of the public accounts committee a few years ago when they were turning up trout streams in the basement of the establishment in Hull, and we had all kinds of cynicism and bitter wit about the place. Subsequently, we had a change in the headship over there and things quieted down considerably.

It seems to me, as a matter of principle, that there needs to be an element of contract letting in so far as printing is concerned. I am speaking for my party here when I say that we are not so much dedicated to the socialistic idea that we want to see all the printing done for the federal government—particularly I am thinking of text print—handled by the queen's printer. I can see the advantages of a balance, but I can also see the possibility of patronage and pettiness in so far as the letting of contracts is concerned. I know from my personal knowledge that there was one magazine put out for the Canadian army, and as soon as the government changed a few years ago, slam bang, the printing contract was shifted to someone favourable to the party in power. We may have an element of this; but forgetting that sort of thing it seems to me that what we have to look for in that kind of contracting is the absolute in competition, with favouritism ruled out. I am not so sure that we have it. I should like more details on how this print purchasing is going to be carried out, to be sure that under the reforms the minister is introducing we will have this as a guarantee.

The next point in connection with the queen's printer's operations relates to something that has exercised me for six years, and that is the fact that all of these small contracts for materials and goods that I think run to something like $18 million a year, have always been concentrated in this particular area, that is in the Ottawa-Montreal-Toronto triangle. There has not been nearly enough dispersal out across the country. We have had suggestions of this over the past years which showed, particularly in 1960-61, that there was an attempt made to spread these orders out. Almost anywhere I have gone across Canada the printers, suppliers of forms and so on, even in the smallest towns, feel they could compete or should have the right to bid on this kind of order. Yet, in fact, the small orders which these people could fill seem to be given to a very select group in this particular triangle. I should like to bring this to the minister's attention in the hope that it will be his aim to improve the situation. I do not believe the Glassco report makes the situation clear as to whether more purchasing in this category could be made in the provinces beyond Ontario and Quebec.

The minister will also be aware from some of the questions which I placed, and which he answered, that there is a tremendous amount of initiative put in the hands of the man who is in charge of this kind of purchasing. It is the kind of initiative that has to be handled with scrupulous fairness. There is too much power, in a sense, placed in the hands of someone purchasing that much in the way of supplies in a year, unless the rules and the code are very strict. In time, the man at the top of the organization has the right, which is exercised and I think the minister will concede that it has been exercised to a considerable extent, to change orders, to change the number of competitors, to call for new bids or to have telephone calls go out to get quotations from the select people. You have here the opportunity for corruption and unfairness.

I think that if the minister could say that under the new procedures that are going to be developed under the Department of Defence Production this situation will be taken care of, I will be pleased and I know several other members in this house who will be pleased. This particular community of Ottawa and Hull is a great place to generate rumours and suspicions. I do not want to go into the information that has been brought to me. I am willing to accept the minister's integrity in this matter, but I should like to have along with that general assurance something of the details that are planned for this kind of purchasing.

Then, I should like to point out to the minister that there is a bit of discrepancy in some of the answers that were given to me. I will just give him an example. I should like to refer to question No. 1,286, on page 3623 of *Hansard* for October 16, 1963, which reads in part as follows:

> Has Mr. Roger Duhamel, the queen's printer, been offered the proposed post of queen's publisher and, if so, (a) has he accepted (b) will his salary remain unchanged (c) what are his major responsibilities (d) to whom is he immediately responsible, and (e) on what date did he first act in an acting capacity?

The answer given by the minister is as follows:

> The creation of the proposed post of queen's publisher and the related changes in legislation are still under consideration.

Well, the minister will concede that there have been purchases made under this new arrangement in the name of this so-called queen's publisher.

Mr. Drury: Queen's printer.

Mr. Fisher: No, the queen's publisher. In addition, there was this answer which reads:

As a result of P.C. 1963-1254 of August 21, 1963, and P.C. 1963-1450 of October 3, 1963, his major responsibilities are the sale of publications for both houses of parliament and departments of the government of Canada, and include the procurement of print for these publications. He reports to the Minister of Industry.

Then, the answer to the next question was as follows:

The creation of the proposed post of queen's publisher and related duties is under consideration. For current duties see answer to question 1,286.

Then you turn to page 3807 of *Hansard*, question No. 1,295, which reads as follows:

How many (a) printing job tenders for print requisitions by government agencies have been issued (b) contracts have been awarded, since the day on which procurement, purchasing and stores branch became a responsibility of the Department of Defence Production and, of these (i) how many tenders have been issued and how many contracts have been awarded by the procurement, purchasing and stores branch as a responsibility of the Department of Defence Production, and (ii) how many tenders have been issued, and how many contracts have been awarded by the proposed office of queen's publisher?

The answer to part (ii) shows that 23 tenders have been called and 16 contracts awarded. In other words, the proposed office of queen's publisher is actually functioning, according to the answer. This is a matter of genuine puzzlement. What is the authority—

Mr. Drury: If I may answer the hon. member right now, the office of queen's publisher has not been established. The functions of the queen's printer have been divided into two, one of which involves the mechanical operation of printing and the procurement of stationery and supplies. This has all been assumed by and put directly under the Department of Defence Production. The queen's printer, in relation to his proposed functions, or functions suggested by the royal commission on reorganization, is to become the queen's publisher, and is in fact performing now these more specialized duties, of rather more than an editorial nature than the previous mechanical ones were, but the title has not yet been approved. The title has not been assumed and if inadvertently—and I suggest it was inadvertently—the answer was given that the queen's publisher had done something, it was taken to mean the queen's printer had done it in his new capacity.

Mr. Fisher: Well, we will be interested and looking forward to the appointment of the queen's publisher, and the definition of his duties, when that develops.

I have mentioned the Bobcat to the minister. I remember it was four and a half years ago when Fort William was dreaming of getting an actual contract for the Bobcat, and at that time the development contract for it was with the Canadian Car Company in Montreal. I remember attending on a delegation here which was met by the Hon. Howard Green, and I remember the deputy minister being asked point blank by Mr. Green how long it would be before the contract would be ready for awarding, that is, when the decision would be made that the Bobcat was worth producing.

As I remember it, the deputy minister took some care in answering, because I imagine this is not the kind of thing a person likes to get on the line for; but there was further insistence and he then came up with the figure of 18 months. In other words, approximately three years ago the thing should have been ready to go out to contract, but the defence committee apparently has been told there are still bugs in the Bobcat, and this is three years after the estimate made by the deputy minister.

Through all the years since then there has been an item in the estimates for the development work, but there must be something badly wrong or haywire about the situation, about the kind of ineffective leadership coming from the department, particularly when something fumbles and bumbles along like this. I know the one conclusion I draw from a defence point of view is that much of our defence posture is nonsense, because obviously if we can afford to fritter away years like that before we get an armoured carrier, we really don't care a damn whether we get an armoured carrier or not.

My point is that the minister needs to give some explanation of how this could take place under an efficient department. It does not make sense to me that four and a half years ago we got an undertaking it would be ready for contract in 18 months, and there was an indication given that favourable consideration would be given to Fort William. In fact I remember the headlines in the Fort William and Port Arthur press saying, "We are going to get 400 Bobcats to build in a year and a half." It has now become less than a joke; it is just a wry irony.

How can this take place under any kind of efficient direction by a government department? Has part of the stalling been that the government has been trying to get cooperation with some of our NATO allies on this matter? I know that the other day the Minister of Defence Production sent me a photograph of the Bobcat, with some British

officers looking at it. I suppose there has never been an armoured vehicle looked at and examined so much as the Bobcat, but ten years after it was first talked about we still have not got anything except a nice bill.

One of my colleagues tells me the United States and United Kingdom now have their own vehicles. I do not know about that, but it is quite obvious they do not go for the Canadian vehicle. It also seems to me there is no use trying to fasten it in any political sense on the former Liberal government or the former Conservative government. There is just something completely haywire, and it is this kind of thing which makes one wonder how good is the Department of Defence Production.

I have my own specific case in connection with the Department of Defence Production which I would like to go into tonight, but since it is still under review I will not. It relates to a contract in my own area, which convinces me this is not the greatest of departments; but this Bobcat business is just unbelievable. For 10 years we have been fiddling around trying to get an armoured carrier for Canadian troops, and the latest results show it is still not worth very much. I am not surprised that the Americans and British are not anxious to take up any of our creations, inventions or developments, if this is the pattern.

We have never had a clear explanation of it, and I think the minister should tell us about it. We have spent millions of dollars on the development program. I am sure it supplied work, though not very much because there are only about 20 prototypes, but a lot was spent on materials, and it made work for engineers and a small staff in the Canadian Car Company in Montreal. Surely we should have some explanation from the minister before his estimates are passed.

It also seems to me that the minister should tell us more about the aircraft problems we have—that is, the problems of selling our aircraft to some of our allies under the defence program. It is quite apparent that the CL-44 is a successful aircraft, but it has not yet met with great purchasing responses by other countries for defence purposes. I would like to know the reason for this, particularly with regard to that aircraft, because greater production of it would do something for Montreal, which has been bleating so much over the DC-9, and also particularly because of the fact that an adaptation of it was taken for our air force, and I understand is in use.

We need to know more about the responsibility of the department in helping to get sales contracts for that particular aircraft, and I would like to know something about whatever funds the department may have contributed in connection with the cushion aircraft—you know, the flying saucer type, and also in connection with the hydrofoils, I would like to know if there is any program under which the Department of Defence Production is contributing money for research services and development. I understand we have been experimenting with hydrofoils ever since Casey Baldwin was fooling around with one in Nova Scotia 30 years ago; but if the same pattern prevails as with the Bobcat, I can see us still fiddling around with hydrofoils in 2000 A.D.

The next point I want to touch on is related to the national research council and the role that it plays as the encourager or the leader in the field of science. I have a paper here by W. P. Thompson entitled "The number of university teachers: needs and prospects". Dr. Thompson was formerly the head of the University of Saskatchewan and was the author of a book called "Graduate education in the sciences in Canadian universities" published by the University of Toronto Press in 1963. This paper is for publication in the December issue of the Canadian Association of University Teachers Bulletin. I do not want to put a great deal of it on the record, but in substance Dean Thompson is telling us that our graduate program—that is, the program to produce graduates, particularly with Ph.D's—in the social sciences and the humanities is in a hopeless position. It is just fantastic that a country with this many people in universities should be turning out so few graduates in these fields. There is in this paper a table of the number of theses accepted for doctorate in different subjects in different Canadian universities in 1960-61. One of the interesting things is that in the sciences we have 151 theses accepted; in medicine, agriculture and engineering—which is another type of science —we have 53. But when we get into the social subjects we have a total of only 68. When we get into the humanities we have a total of only 51.

This is not the place to make an argument for the social sciences and the humanities, but I would suggest that even the record in the sciences of only 151 in biology, chemistry, geology, mathematics and physics is a pretty weak effort. The national research council needs even more encouragement than it is getting at the present time in order to broaden this program. I know the minister indicated this was so; but what is the scale of this, what is the imagination, what are we shooting for, how many hundred graduates a year

can N.R.C. sponsor? This is what we need to know. I wish to quote from page 4 of Dean Thompson's paper:

> Disregarding the applied subjects for the moment—

That is, the applied sciences:

> —the number of teachers who will be required in the basic sciences in relation to those in the social subjects and humanities cannot be determined accurately by estimating the number of students registered in the different faculties, since students in each type of faculty take varying amounts of work in the other faculties. But a reasonably accurate comparison may be made by comparing the numbers of present faculty members. An examination of the lists of teachers in several universities which have typical establishments of faculties shows that the present numbers of teachers above the level of part time sessional appointees are approximately the same in the basic sciences as in the social subjects and in the humanities (for example, in one institution 7:6:8). Therefore, the number of doctorates actually conferred in the sciences is out of all proportion to those in other areas—three to one instead of one to one.
>
> In this connection it should be pointed out that six of the 13 universities which conferred the doctorate did so only in the sciences, and that two others conferred only one or two doctorates in all the other subjects put together. Apparently only five institutions—

That is institutions in Canada:

> —make any serious effort to carry students through the doctorate in the social subjects or humanities. Although only 13 institutions conferred the degree in 1960-61, 15 offer work leading to the degree, but two made no awards in that year. Those two offer the degree only in the sciences.
>
> The reason for the great disproportion cannot be a matter of cost since research and advance teaching in the sciences are much more costly than in other areas, although it must be admitted that more money may be available for scientists from outside sources. Other possible reasons may be suggested for consideration: (1) a difference in the number of suitable fellowships and assistantships; (2) an established tradition owing to the greater number and variety of subsequent jobs hitherto available; (3) less interest on the part of many social scientists and humanists than on the part of natural scientists in original scholarly work; (4) less inspiration to their students to proceed to graduate work at the doctoral level. At any rate it appears that the attitude of many scientists must be different from that of many non-scientists and that the difference is recognized in general university policies.

This might be taken as an argument—

The Acting Chairman (Mr. Tardif): I am sorry to interrupt the hon. gentleman, but I must advise him that his time has expired.

Mr. Fisher: Mr. Chairman, if the hon. member for Marquette would allow me to have the floor for just a few more minutes, I only have one more paragraph to put on the record. Perhaps the committee would give unanimous consent to my completing my remarks.

The Acting Chairman (Mr. Tardif): Does the committee consent to the hon. member completing his remarks?

[Mr. Fisher.]

Some hon. Members: Agreed.

Mr. Fisher: Thank you, Mr. Chairman. This paper continues:

> Even though the doctorates in the natural sciences greatly outnumber those in other areas, it is clear that even they are far short of the need. Mathematics is an especially weak spot with only eight, although mathematicians are in great demand. Moreover, a large percentage of fresh Ph.D.'s in the sciences go into industry, the professions, or government service. Precise information on this point comes from two sources: (1) according to Thompson, the deans of graduate schools estimate that less than 20 per cent of Ph.D.'s in chemistry, 33 per cent in physics, 5 per cent in geology, and 50 per cent in biology join university staffs; (2) Stock and Beaulieu showed that of the science students who received their Ph.D.'s in 1960 and immediately took jobs, only 27 per cent joined university staffs, 23 per cent went into government service, 23 per cent into other occupations in Canada, and 26 per cent into various kinds of employment in other countries. Twenty eight per cent of all science students who received the Ph.D. in that year did not take employment at once but continued their studies at the post-doctoral level.

The evidence Dr. Thompson introduces here suggests that the sciences are in better shape than the social sciences and the humanities in having people capable of university work. I think the N.R.C. deserves a great deal of credit in this regard. Those of us who are not interested so much in the sciences lament that we have not a comparable body—at least, I do not think the Canada Council is yet. But the point is, even this is not very good, and it seems to me that the N.R.C. needs to give even more leadership and opportunities for post-doctoral work and pre-doctoral work, and there should be a more aggressive program, particularly in providing the kind of research projects that will keep that 26 per cent—which I think is a fair average—who go every year to other countries because they can get greater research opportunities in terms of projects and funds. I would ask the minister and the N.R.C. to let us know just how big they are thinking, and I would encourage them to think big in this kind of program.

Mr. Mandziuk: Mr. Chairman, in taking part in this debate I have no intention of delaying the estimates of the minister. I only wish to put on record some thoughts in connection with the Department of Industry. The minister has so many irons in the fire that it would be futile to attempt to discuss all the matters which fall within his jurisdiction; but the Department of Industry is a subject of wide discussion and criticism across the land. I agree that probably it is practical to put under one roof various activities that are related but in the words of an editorial in the Winnipeg *Free Press* of October 28 under the heading "A Pretty Costly Beginning," it states:

Whatever else might be said about the federal government's new Department of Industry, there is no doubt that it is going to Think Big.

Well, it thinks big; it talks big, but whether we will get big results time alone will tell.

The Department of Industry was created by parliament in the same manner as was the case with other legislative enactments that have been passed since this session of parliament opened. The government has the habit of putting the cart before the horse. It leaps before it comes to the stile. It makes a decision and then it decides to consult those who are most vitally concerned.

The province of Manitoba in particular is greatly concerned. That province was not consulted. That province, which has such an efficiently working department of industry, should have been consulted or at least kept aware of what Ottawa intended to do. But the government has acted in the same way as it did with the municipal loan fund and contributory pensions. They put the legislation on the books and then they start to consult. I believe consultation was promised the members of the government of Manitoba at the federal-provincial conference. Whether consultation on this point was carried out, we do not know. However, the Winnipeg *Tribune* of October 19 has this comment by the premier of Manitoba:

Premier Duff Roblin likened the new Department of Industry to "the pension muddle".

Premier Roblin is disturbed and fears there will be duplication and confusion with regard to industrial surveys which this department will be making, trade missions it may be sending overseas and personnel it may be be hiring. The minister of industry of Manitoba, the Hon. Gurney Evans, is quoted in the same issue of the Winnipeg *Tribune* as saying:

—the present course "seemed to be one of building two competing empires".

Why is Manitoba disturbed? I should like to bring to the attention of the minister the fact that the government of Manitoba under the leadership of the Hon. Duff Roblin spent three-quarters of a million dollars making an economic survey in that province. The result of that survey is this monumental volume I hold in my hand. I draw it to the attention of the minister and I suggest that those high priced officials who are being sought in this little pamphlet issued by the civil service commission the other day be told to read and study this monumental volume, because it covers every field of economic activity. I want to point out to the minister that it covers Manitoba, an economy in transition, population and manpower, primary industries, secondary manufacturing industries, prime requisites for industrial development, tourism, recreational development and accommodation, service industries, physical factors in economic growth, capital requirements and taxation, social factors and economic growth.

This is a most exhaustive study and it will be well worth while for the new Department of Industry to make a thorough study of it and save the thousands and thousands of dollars that would be required to make an economic survey of the province of Manitoba. I do not know what the situation is in other provinces, but as far as Manitoba is concerned this study is most exhaustive. I want to put on record how it came about.

In 1961 the government of the Hon. Duff Roblin realized that job opportunities were not keeping up with the number of candidates in the labour field. There were more workers than there were jobs. Consequently the government budgeted three quarters of a million dollars to start a survey. They initiated a committee on Manitoba's economic future consisting of 42 members. They hired consultants from various parts of Canada and the United States and 200 public spirited citizens of the province also banded together voluntarily to help to make this great survey of the whole province. The recommendations contained herein were made by representatives of labour, primary producers, educationists, professional men and government officials. In this volume the minister will find how to increase job opportunities at least in the province of Manitoba, if in no other.

I wish to return to the comments in the *Free Press*, the mouthpiece of the Liberal party in Manitoba. In the issue of October 28 last there is an editorial which indicates that the *Free Press* is greatly disturbed. It points out that 300 top jobs are being created and that the civil service commission is carrying on a recruitment program and offering top salaries from $12,000 to $17,000 a year. Premier Roblin is quite disturbed by the fact that many of those working in the Manitoba department of industry may be enticed to join the federal Department of Industry because of the salaries being offered. There was no consultation even on that point.

This same *Free Press* editorial questions what industrial activities will be launched by virtue of the establishment of the Department of Industry and the employment of around 300 top level people. What new industrial activities are going to be launched to justify the establishment of this department? I think the minister should be given the opportunity to answer that question when he replies, so as to alleviate the anxiety that some people, even those who support his party, feel about the whole matter.

The editorial in the *Free Press* goes on to say that the Department of Industry will have to create $100 million in new investment each year to justify its existence. Was any thought ever given to that? I should like to quote the last paragraph of the editorial:

> The first 300 executives, however, are only the start. The department hopes to double that number in time. All in all, the new men of the Department of Industry are going to have to produce some pretty substantial results to earn their keep. Canadians who, heaven knows, recognize the need for industrial development will wish them luck but also hope that the government in its enthusiasm does not forget its obligation to make offsetting economies elsewhere in the public service.

I submit this for consideration by the minister. I hope he gives us some answers as to the new field of endeavour he intends to enter with this army of personnel being advertised for at high salaries. I, like everyone else, have been very interested in this pamphlet entitled "Department of Industry" issued by the civil service commission. It sets out the qualifications required of various officials. In particular it refers to the department's functions and organizations. I was interested in its responsibilities at the management level. It first of all refers to the establishment and maintenance of liaison with industries, and the acquisition of information covering all aspects of their activities. I take it that the department intends to establish liaison, not only with large industries which are established in the east in Ontario and Quebec, but also with small industries established out west. The pamphlet says:

> —to plan, conduct and implement comprehensive studies...to provide advice and assistance in the establishment of new manufacturing facilities and in the growth and improvement of those already in existence.

In this connection I have another question for the minister: Is he going to give any attention to industries already in existence, large or small? I have in mind industries such as have been established in Minnedosa, at Carberry, at Sprague, and other places, through the effects of this active Manitoba department of industry.

I am also particularly interested in an industry in my own riding. Minnedosa is a small town, as small towns are measured in the east. It is in an agricultural area and has about 3,000 population. It found itself in difficulty several years ago owing to the fact that the repair shops of the C.P.R. in the town were closed down. Some enterprising citizens made a survey of the possibilities of finding employment and a company was organized called Minn-Toba Industries, Ltd. As a result of the survey they decided to manufacture tractor and combine cabs—everyone connected with agriculture knows what they are—and short-line farm equipment. This company has organized and was assisted by the industrial development board of Manitoba, some $10 million being set aside by the board, for cases like this, to assist small industries setting themselves up. They started to manufacture these implements in 1961 and employed as many as 52 men. That, of course, means 52 wives, and if you multiply that by three it means the feeding of 250 people.

These tractor and combine cabs proved to be of superior design to, and better workmanship than, those brought in from the United States. As a result of the survey it was discovered that there was a tariff against United States imports of tractor and combine cabs. Once this company was nicely established a network of distributorships was set up and the company carried on on a straight business basis. Then bang, the tariff on United States tractor and combine cabs was removed. When this company Minn-Toba Industries Ltd., set out to see what business they could get in the United States, they found that the tariff against Canadian-manufactured tractor and combine cabs was 20 per cent. This particular industry employed last April 52 men. By August this number was cut to half, production of these cabs cut to one-third, and all because United States manufactured cabs are imported duty free by our large implement companies in Ontario. They give distribution discounts and are knocking this little industry, which meant so much to that town, out of existence.

My suggestion is this. If the Minister of Industry intends to justify his position and that of his officials, he may have to co-operate with the Minister of National Revenue and the Minister of Finance to this extent. We are asking—probably there are other small industries in Canada who are in the same plight also—that we clamp a tariff duty on United States imports, a like duty of 20 per cent, taking the matter up with the tariff board or the powers that be, or else asking the United States to remove the tariff on our tractor and combine cabs so that they can enter the United States and compete with the United States product.

All that we and our industries want is fair play. If the Department of Industry is going to direct its activities toward helping even the small industries, I say it justifies its existence. But it should explain at once what it intends to do so as to allay any fears which may be in the minds of provincial governments, and so on. I do not blame the minister for not consulting other provincial governments on this score because he is only

one member of the government. As I said in my introductory remarks, the government decides first of all to pass legislation, and then secondly enter into consultation. I hope the minister and his department will co-operate in this regard. When public money has already been spent let us take advantage of it. I repeat that I hope the minister sets his personnel the task of studying this large report, which is bigger than a family bible, consisting of hundreds of pages. It is in great detail and is worthy of consideration. But do not forget the small industries. If the minister's colleagues co-operate with him to see that our little industries get fair play, that is all I am asking tonight.

[*Translation*]

Mr. Côté (Chicoutimi): Mr. Chairman, before I make my speech, it is my painful task to announce that an awful air tragedy has just happened. A T.C.A. airliner carrying 111 passengers and a crew of 7 has just crashed 20 miles out of Montreal. News of that terrible accident has just come in and I wanted to communicate the information to the house.

Now, Mr. Chairman, since we are considering the estimates of the Department of Industry, I should like to express the views of the Social Credit party on that subject.

First of all, I take the liberty to congratulate very warmly the minister who was chosen to fill that post. He is perfectly bilingual, has a great experience in administrative matters and is highly qualified in industry and business. I feel also that the Minister of Industry (Mr. Drury) is able to direct his department masterfully. However, knowing the government's good intentions, in words at least, with regard to bilingualism, I was very surprised to notice that out of 14 officials appointed to his department to date, only two have French names and I am asking myself: Are all the high officials bilingual?

When creating this new department, the government had a unique occasion to show publicly to Canada that it is serious about bilingualism.

Mr. Chairman, the function of the Department of Industry is no doubt to work closely with the provinces, the municipalities and the area industrial promotion organizations, etc., in order to promote and facilitate the creation of new processing industries throughout Canada and particularly in depressed areas.

Canada needs diversified and decentralized manufacturing industries. Industrial concentration is responsible for excessive growth in some areas of the country and pernicious anemia in others. That occasion should be taken to destroy that clever illusion or myth which has been kept alive in public opinion those last few years, namely that being far from great consumption centres was for some areas an obstacle to industrial expansion.

In that case, not one industry would be suitably located in relation to domestic and foreign markets. When a company manufactures a product of good quality which can prove useful to the consumer, it will sell anywhere and the geographical location of the industry has nothing to do with it. In proof of this, one only has to look at the shelves in shops and wholesalers' warehouses and check the origin of the great variety of goods, to realize that they come from every part of Canada and from approximately 50 foreign countries with which we transact business regularly.

We should also do away with the fable spread by certain representatives who advocate the merger of medium-sized industries, claiming that only the big industry can survive in our times. Such an attitude can kill resourcefulness and discourage those who are bold and determined enough to set up a business. The survival of industry does not lie in concentration or merger. Those are false arguments inspired by socialism.

Beside large businesses, there is room for the medium and the small industry, that is undertakings in keeping with the abilities of man. To that effect, we should not be afraid to consider new solutions. We should free public capital—governments, municipalities, school boards—to direct them in industrial and commercial investments, in order to ensure an unlimited development of the national economy by establishing a public credit bank which would be a subsidiary of the Bank of Canada.

On the other hand, the industrial development bank should guarantee, after the required authorizations, the issue of industrial and commercial bonds, in order to ensure complete security of private savings from any source whatever, and enable Canadians to regain control of their economy. Moreover, the exchange fund, to facilitate the international exchange of goods and services, should accept in its reserves the monetary units of many countries, that is currencies not convertible into gold, which would result in settling the problem of international payments and increasing considerably our foreign trade.

We must go still farther to get out of this inflationary debt-money financial system of ours, which makes debts and taxes go up and interferes with the economic activity in Canada.

It is the hon. member for Red Deer (Mr. Thompson), the national leader of the Social Credit party, who was stating at Orleans on November 28 last that chartered banks had extended or created $1,200 million

dollars worth of new credit in 1962, on which 6 per cent had to be paid, or an amount of $70,000,000 in interests only, that is $17.50 annually for each family, and that indefinitely.

Mr. Chairman, with the new Department of Industry, the national production should show a substantial increase; but if the government thinks it will thus solve the unemployment problem, it is greatly mistaken, for the consumers or the families of Canada, in a proportion close to one third, do not have the means to buy present production. Already, our national production will hit the $44.6 billion mark. Our money has no value, because of inflation, and it is impossible to buy the whole present production.

Is it not the beloved martyr, President John F. Kennedy, who said last September that the most important task facing the United States was that of the monetary reform?

New President Lyndon B. Johnson dealt with that subject when he stated the following, as reported in *Le Devoir,* Wednesday, November 27:

> And second, no act of ours could more fittingly continue the work of President Kennedy than the earliest passage of the tax bill (which would bring about a tax reduction of $11 billion) for which he fought, a bill designed to increase our national income, our federal revenues, and our insurance against recession.

Without the monetary reform advocated by the Social Credit, it will be impossible to create a constant economic prosperity keeping pace with the population growth in Canada.

As the minister said a moment ago, the number of university students increases at a rate of 20 per cent every year. If we add to this number all those who are in secondary schools, how shall we succeed in employing all the new manpower coming regularly on the labour market?

Mr. Chairman, I cannot deal with industrial development without calling the attention of the Minister of Industry to my own riding of Chicoutimi and the Saguenay area. The riding of Chicoutimi is divided into two depressed areas: Chicoutimi and Port Alfred. Special care is required for this area, because 27 per cent of its population depend on unemployment insurance or welfare assistance.

There is in Chicoutimi an important industry that could be brought back to life with the co-operation of the Quebec government.

I know that the minister, in a speech delivered here in Ottawa, said that he would cooperate with the Department of Industry in the various provinces. That would be a wonderful occasion to bring back to life industries closed since 1930 and to put to work again assets worth $20 million which lie idle now. A regional economic planning council was set up last October whose primary object is to promote industrial expansion. I feel that good relations must be created to facilitate industrial promotion.

In Chicoutimi North, my home town, an industrial and commercial exhibition was recently held and was a great success. The industrial board of that city helped three new minor industries to re-enter business during the past year.

We are trying presently to create an industrial spirit in our area. Our ports: Bagotville, Port Alfred, Chicoutimi, and even L'Anse Saint-Jean, are open gateways on the whole world. Those places are even the major ports in Canada for shipping the raw materials we have, and with all the industrial facilities at our disposal, there is every possibility for a very intensive industrial development.

Mr. Chairman, I hope the minister will give particular attention to the few points I have outlined, for we need the help of the Department of Industry, which has just been created, to promote industrial development and allow our families to live decently.

[*Text*]

Mr. Greene: Mr. Chairman, I should like to add my words of congratulation to the minister on his appointment to this lofty post and on the very efficient way that he has been carrying out his duties in that capacity. I may say that the very fast way in which he has commenced the operation of this department might indicate that the comparison that the hon. member for Winnipeg South Centre made is not an entirely correct one, since he called him the workhorse of the cabinet. I suggest that his present pace might indicate he is built along speedier lines. He might well turn out to be the Man-o'-War of the cabinet, rather than the mere cumbersome Clydesdale. No matter how it turns out, Mr. Chairman, I am sure that at the end of the race he will pay off across the board for the party I represent.

Now, having passed these few equine bouquets, I trust I will not do what hon. gentlemen opposite do so often when they pass bouquets, that is take them away again before the minister gets a chance to put them in the flower pot. I have a few words I should like to say on behalf of my constituents with regard to this department, and that is the purpose for which I believe I was sent here by my constituents.

I suggest, Mr. Chairman, that in the creation of the new Department of Industry the minister has a very great opportunity to remedy some of the defects in the department as it existed before, that is the Department of Defence Production. As I understand it, the Department of Defence Production grew

up very largely, and certainly came to maturity, during the war years and the immediate post-war boom years. I suggest that in the process it may be that the department, which played a large part in the economic life of so many of our industries, lost sight of the fact that, being a department of government it was something more than just an agency of business. It should have been operated in a different way from a business organization, and as a department of government it surely had a very great social purpose which industry in the private sphere does not have to entertain.

I suggest that possibly in the past, from time to time, the Department of Defence Production as it has been operated has lost sight of any social purpose, as it must have if it has any raison d'etre as a government department or as a government agency. I suggest that possibly at times, particularly in its buying aspects, the Department of Defence Production lost sight of its social purpose and operated purely as a private business on a dollars and cents basis. I suggest that for a government department this might not be entirely correct. I hope that the minister, in conceiving the road and direction which this new Department of Industry is to walk, will consider not only efficiency, not only the cheapest way to buy, but will also consider the social ramifications to various parts of Canada in the various operating policies and in the directions the new department is going to take.

It is obvious that the department to date, at least the Department of Defence Production, has been very largely concerned in the aircraft and electronics fields. If in those areas there is to be bidding for contracts, and if there is to be no delimitation of any kind on that bidding, if there are not going to be certain preferences for small industries, certain areas where only small industry is allowed to bid or certain areas where industries that are particularly suited to a locality are allowed to bid, then surely the big are going to get bigger and there is going to be no room at all for the small. If this takes place the consequences will be that the big will have the field to themselves, and I suggest that in the long run this will redound to the detriment of the Canadian taxpayer.

I suggest, Mr. Chairman, that in the formation of the philosophies and the policies of the new department there should be a very careful look, not just at the dollars and cents aspect, not just at the big business aspect, but at the aspect of what is best for Canada. Because behind the very theory of the Department of Industry there is surely the idea, as is indicated by the fact that designated areas have been appointed—there is, as the hon. member for Burnaby-Coquitlam stated today, the very idea on which Canada is founded, namely that there must be some equality between the rich and the poor, that all must not go to the few and none to the many. I think this not only applies as to provinces between themselves but surely as to the citizens and workers of Canada also.

Therefore I suggest there should be areas within the department, and within the bidding practices of the department, that will be reserved to the small industries, to the encouragement and growth of industries that we wish to develop; and in particular, on occasion if certain industries are well adapted to a certain area, then surely the buying practices of a government department such as this should lend themselves to the encouragement and development of these industries. They should not be left out in the cold and cruel marketplace, where sometimes the methods and techniques of the giants of industry make it impossible for the small to compete.

I cite but one small example of this, and while this is not pervasive it is a fact, that certainly in the electronics industry there are subsidiaries of large industries who make components, which will ultimately go into a contract the department is bidding on; and I am given to understand that if a subsidiary is bidding on certain contracts, then the parent company, in giving prices to other tenderers, may charge them a great deal more for those parts than they charge to their own subsidiary. This puts any other bidder right out of competition.

I do not know how actively the old department of defence production looked into this type of practice, but certainly in the United States there has been an area of great concern that monopolies and combinations in industry, interlocking directorships and so on, would render it impossible for the small and new industry to compete. I hope in the buying practices of the department in the future there will be great concern in the new department, not only to ascertain that the bidding practices of the big make the game fair for the small, but also that the department will definitely have it as a policy that it will encourage the growth of small and new industries in the electronics and allied aircraft field, so that it will not just be a feeding ground for those industries which are already large and well established.

In this regard, in my constituency we have such industries that have developed with hardship in this type of a difficult market; because certainly in the electronics field, if you cannot do business with the government it is pretty hard to survive in the small,

restricted consumer market we have in this country. And if the big fellows are going to get all the government business, then it is going to be very difficult for these new industries to develop.

What of industries that are having a difficult time in surviving in the competitive world and yet have something to contribute to Canada's future, and what of the industries we need very badly in times of national crisis? In my constituency there is an industry known as Light Alloys, which is possibly the best foundry in North America manufacturing magnesium castings. During the days when our aircraft industry was thriving, in particular prior to the unhappy demise of the Arrow, this industry was getting along very well. It produces magnesium castings that no other firm in Canada can produce. During the second world war the government was very glad to have that plant and encouraged its development and growth. This was under the leadership of the late C. D. Howe, who I think will go down in history as the man who did more than anyone else to encourage the growth of industry, and in particular the growth of the Canadian aircraft industry in all its allied fields.

Today it is difficult for an industry such as this to compete. It needs encouragement, and possibly some preference from time to time from the government. Ultimately, if industries such as this fold up, we will have to buy these magnesium castings from the United States, and it must be remembered that both the Minister of Industry and the Minister of Trade and Commerce are working very hard to the end that our balance of payments position be improved.

If industries like this are not encouraged to develop, and are not given help at the government level during the difficult years, it may be we will not only lose them as employers but their departure will render great detriment in the field of the international balance of payments.

There is just one other aspect, on which I like to call the social policy, that I believe should concern the department. I suggest there is a great opportunity in the formation of a new department to instil this sort of social philosophy, not only overtly within the department but within the new employees who are coming into it. If they can be made aware there is some national and social purpose to their work and that it is not purely the same as big business, it would be a great help.

In this connection of a social purpose, within the buying rules of the department might I suggest that the minister consider giving a greater preference to Canadian manufacture and production than is presently given. I know it to be a fact that we cannot be national hogs in this regard. Trade is a two way process, and we cannot set up high barriers to prevent competition. But surely in the area of new industries that we are trying to develop, industries such as electronics, if small industries do not get some protection, the big will surely devour them, and there will be no incentive for our industries to develop. In this regard, in the departmental buying by the old department of defence production I have seen examples of American manufactured goods being bought, goods which did not provide a single job in Canada, and these goods won contracts over goods which were completely manufactured in Canada and which created employment in Canada.

Surely that again redounds to our detriment in the international balance of payments. I wonder if our manufacturers would be permitted to sell on a competitive basis in the defence area in Washington, unless it was under a defence sharing arrangement. I suggest that undoubtedly the American manufacturer gets greater protection in this regard, and surely our Canadian manufacturer, if he is to survive, particularly the new and growing manufacturer, should get some greater preference than is presently given him. I understand our manufacturers are given some preference, but it obviously has not been sufficient to see to it that our defence production contracts go out to as great a degree as possible to those manufacturers and employers who manufacture, and employ men in Canada.

In this regard I would like to bring to the minister's attention one other point. In my sister constituency of North Renfrew is the great atomic energy commission and the plants and works of that organization, which come under the minister's department. It is to be hoped—I think this probably is the case at the present time, and may it continue to be so—that the employees of this organization will be given continued encouragement by way of wages comparable to industry, comparable to what they could obtain in the United States of America, so we may maintain the very favourable and enviable position that we as a small nation have built up in this field. It would be a tragedy indeed if by reason of pettiness or penury at the government payroll stage we in any way impaired this great industry. We have had one sad example of losing so many of our skilled and highly trained aeronautical engineers by reason of the fact that the Arrow is no longer manufactured here. This, an industry in which it had taken years to develop the talents needed, fell apart.

An hon. Member: And the frigates.

Mr. Greene: A great number of these highly skilled and highly trained employees found their way to the United States of America. It is to be hoped that the atomic energy scientists and the trained personnel there will receive no encouragement to leave Canada by reason of the fact that anyone can pay wages which attract them out of our country. We surely can afford in this land to pay, in the technological age that we are entering, the best of wages to these people who have built up our atomic energy commission in all its aspects.

There is one other point I should like to draw to the attention of the minister with regard to the Department of Industry as it affects my constituents. I suggest that the government plans with regard to the growth and development of our industry have shown a keen concern for the underdeveloped, for the economically unfortunate. I think this is in the best traditions of our party. They have done this in the maritime provinces by giving very large capital funds to assist in the development of this area, which has lagged behind the rest of Canada. They have recognized this principle, an egalitarian principle, if you like, of equalizing opportunity in various parts of Canada, by putting 35 designated areas under the care of the Department of Industry.

Unfortunately, this does not solve all our problems in this regard. I think there are areas of Canada the development of which is very analogous to that of the maritime provinces, but which unfortunately are not physically located in the maritime provinces. There are areas the growth of which has lagged behind, and not over a period of eight years, which was the determining period under the designated areas program—and quite properly so, because the areas that were so designated undoubtedly needed help. These are areas that possibly had grown to a very considerable degree and only lagged behind in the past eight years. I suggest there are areas much as the maritime provinces, even in rich Ontario, which over a period of 50, 75 or 100 years have not kept up with the vast growth in other parts of Ontario and other parts of Canada. Because they were not in the maritime provinces they received no capital grants to help them; and because possibly their lack of growth was not just over eight years, and accordingly they have not had a sudden surge of unemployment—they have been stagnant over many, many more years than eight—there is to date no specific plan to help them. These areas are not slow growth areas under the definition of designated areas, but they need capital help in much the same way that the maritime provinces need capital help.

I sincerely trust that the minister in his wisdom will find a way in the new Department of Industry to help this type of area. I suggest this problem is applicable to a considerable part of my constituency and other parts of eastern Ontario, and possibly also to eastern Quebec. They need some sort of capital incentives or, as many of these areas are former lumbering areas that have petered out, perhaps under the Department of Industry it will be found possible to devise some way whereby the remaining lumber resources can be profitably used, with government help and encouragement, to create new industrial hope and new employment.

There is just one other point upon which I should like to touch briefly. It does not particularly affect my constituency, but I think this situation has struck all Canadians from time to time. I refer to the printing bureau. Having read the qualms expressed in the Glassco report about the printing bureau, and having from time to time over many years heard public doubts as to the propriety of having this giant institution doing government printing at the expense of private business, it may be that now this minister has taken over the department and has undoubtedly already shaken it by the heels—which is no doubt a good thing—he will take a look at the entire philosophy behind the printing bureau. Why should government compete to a great degree, as this huge institution does, with private business? If we are going to have a printing bureau competing to this extent, why not start manufacturing cars? I suggest that this is not properly within the government area of business, in a party which embraces private enterprise as its basic philosophy.

We have seen that this bureau publishes myriads and thousands of publications on everything from ducks to cartels. I do not know whether anybody ever reads them. They are undoubtedly published at great public expense. It is very difficult to find the exact cost of the printing bureau under its present set-up. If the set-up indicated in the Glassco report is put into effect and we revamp the fiscal system of the bureau, we may be able to find out exactly what it costs, or at least be able to obtain more accurate figures. There undoubtedly is a place for a government printing bureau, but I think a good look should be taken at it. Are all its publications necessary? Is the taxpayer of Canada paying too much for what he is getting? Are we competing unfairly against small business or private business? We would like the printing bureau to be doing something that is necessary to the government, but not that which is competing unfairly

in the market place and at the same time being the drag on the taxpayer that it appears to be today.

Mr. Stenson: Mr. Chairman, in speaking on these estimates I shall refer to the Department of Industry. This seems to be the most popular department the minister has this evening. The Minister of Industry brought to our attention the fact that a great number of skilled workers, such as scientists, engineers, designers and other professional men were leaving our country to find gainful employment elsewhere. The hon. member for Renfrew South also brought this to our attention a few minutes ago. I should like to ask the minister if he knows the percentage of people leaving Canada because of lack of opportunity here? I think everyone in the house is aware that we are importing many skilled and professional men from outside Canada today.

Will this new department not take the incentive out of industry? The Prime Minister said that this was not a new department and that the facilities for the department would come from the Department of Trade and Commerce. If this the case, why should we have this change? Under the last government the Department of Trade and Commerce was working very successfully and many members of the house realized this. The people of Canada realized it, for in 1961, 1962 and 1963 we experienced the best export trade and business expansion that our country has ever known.

I feel that the setting up of the new Department of Industry could very well mushroom into more and more red tape for our business people. Can the minister tell me whether the staff the new department is employing will come from the Department of National Defence, the Department of Defence Production and the Department of Trade and Commerce or are these people to come from our industries, where I feel they are vitally needed at the present time? If the latter is the case, then since this is a completely new department which will make further demands on industry and labour the result will be that this undoubtedly will be another burden for our industries to carry.

Those who are successful in the manufacturing field do their own planning and are tired of being planned by others. Anyone who has ever been in business knows the enormous amount of paperwork demanded by the government. All these government departments and their demands tend to raise the cost of producing to a point where some businesses find it impossible to continue. Will this department make further demands from businesses by requesting statistics and reports? I do not believe this is what the Glassco commission recommended. They felt that these departments should be curtailed.

Since the bill has been passed the government has gone over the heads of municipal and provincial authorities to designate depressed areas, and this has caused much unrest and fear in industrial circles throughout the country. The hon. member for Marquette mentioned that this evening. I should like to put on the record an excerpt from an article in the *Financial Times* this week. It is headed, "Windsor Resents Designated Area Tag" and reads in part as follows:

> Greater Windsor has become the federal government's most reluctant ward. It is one of 35 "designated areas" in Canada qualifying for special federal assistance because of chronic economic problems. The only trouble is that many in the Windsor area simply do not want the help.
>
> The reason is that, on the surface at least, Windsor and surrounding municipalities have not had it so good for a long time. The economy of the area is largely tied to the fortune of the Canadian auto industry, which is now entering its third boom year in a row. The auto business has been so good, in fact, that Ford and Chrysler have called back men laid off as long as nine years ago. Chrysler has no unemployed men left on any seniority list...
>
> Community officials seem almost obsessed with creating a new image and infusing confidence. But the term "designated area" does not fit into the image-making scheme. Some local officials resent it. They would like the government to withdraw it.

To be fair to the minister I should point out the view of industrial leaders in Windsor.

> Industrial leaders do not agree. They think that new industry is more likely to be attracted by the financial benefits of the federal plan than by any new image.

I do not feel that industry in this area should have a preference over industries in other areas. These designated areas were set up before the new Department of Industry was really created and got under way. What can we expect after the new department is completely formed? Industry all across the country is worried. Is the department going to distribute contracts to the favoured industries or to so-called distressed areas? Are they going to affect further the law of supply and demand?

The cost of the new department when it gets rolling will run into millions of dollars. My chief question is, does industry need this guidance? I should like to ask the minister this question: Will any assistance be given to universities to set up research departments to aid industry, so that these services would be available for the development of new products and new methods of manufacuring? By promoting this type of research in our universities we would be setting up a challenge to the students and making available

information to industry that I feel is not available at the present time.

Finally, I should like to say that we must find markets and capital for industry. If we find these I am sure industry will build and expand in Canada without too much assistance from this new department.

Mr. Gelber: Mr. Chairman, I should like to say a word about the Department of Industry and the problems we in Canada face at this stage in our economic development. Some feel, like the previous speaker and other speakers, that our development should be haphazard. There is a happy go lucky theory that everything good is going to come to Canada, that there are unused frontiers and all we have to do is go west and the untapped virgin resources will pay for all our problems and all our mistakes, and that somehow or other the inevitable destiny of Canada is up, up and up ascending plateaus. I feel this is not realistic economics. It is not a realistic examination of the economic problems that face Canada in the sixties.

One needs only to look at the rate of economic expansion in countries which we always considered old hat. Somehow or other Italy was poor, Britain was in another century, France had its grandeur in other days and Germany was destroyed. If you take a look at the rate of economic development in these countries during the past decade you will see that it far exceeded the rate of growth in Canada, and far exceeded the rate of growth in the United States. Rich as we are in natural resources, abundant as we are in the things required to make economic growth, countries like Italy, poor in economic resources, have shown a much higher rate of growth.

Industrial activity in the north of Italy was so great that it was necessary to import labour from other countries into the rural areas of the south to replace those attracted by growth in the north. The rate of German recovery has been phenomenal. The skilled labour in Germany, plus the stream of refugees from the east and the great torrents of United States capital which were invested there after the war made for enormous economic development. France is a country which has surged ahead. Somehow or other it became one of the household fixtures in North America that France periodically would be involved in great crises. The franc was in a constant process of devaluation. Yet we have this enormous industrial expansion in France. France is a rich country, and has reached economic maturity with policies adequate to the circumstances of today.

We always looked to Britain in the latter years to face crisis after crisis. They have had problems of exchange and yet the British economy has bounded ahead. These things did not occur by happenstance. These things did not come about because somehow or other the month of the calendar arrived and that was the month to go ahead. A proper assessment was taken of the problems of these countries. They marshalled their resources and made a plan and encouraged the development of their economies along productive and economic lines.

Now, Mr. Chairman, this country has reached the end of its frontier. We can no longer look for boundless discoveries of natural resources that are somehow or other going to pay our bills. We have to make a proper assessment of our capabilities; we have to take a proper inventory of our resources. We must take a look at our manpower, we must measure our markets and we must plan to assure that Canada will achieve ascending plateaus in economic development.

The history of Canada has been from staples to highly processed commodities. We all know that Canada started with the fishing industry, the cod on the east coast, the lumbering industry and the fur trade which hammered out the frontiers of the land. It was wheat and lumber and all our staples, which measured the economic development of the country.

Now we are in a period of industrial growth. We went into the first war with about half of our labour force employed in agriculture. After two world wars we have become very highly mechanized and industrialized. Today the portion of our labour force engaged in agriculture is somewhere in the neighbourhood of 11 or 12 per cent. Today we find that 26 per cent of our labour force is employed by industry, and 26 per cent of our production comes from industry. It is interesting to see what is happening with industry, because it is facing a serious testing time. We have to take the measure of our secondary industries and see what we can do by way of mobilizing our best resources, which I believe this department can and is most likely to do, in order to assist in the planning of our economic and industrial growth. Twenty six per cent of the value of all goods and services produced in Canada are produced by industry. Industry also accounts for 26 per cent of our employment. Since 1945 there has been an increase of only 15.6 per cent in the labour force in industry, but an increase of 61.2 per cent in our volume of production. That means that more and more industry is becoming highly mechanized, more efficient, and production is growing. We must mobilize our

resources to ensure that we can use highly efficient industry to engage the manpower of the country.

There is the enormous importance of capital investment as the key to the rate of economic growth. If we do not have a sufficient rate of capital investment, then we will not have an adequate rate of growth to use our plants and employ our manpower. We are increasing the rate of capital investment. It slowed down in the early 1960's but is increasing again. We are once more enjoying a high rate of economic growth. As industry expands and the rate of industrial production grows, and investment flows into industry, there is an increase to new plateaus.

I should now like to say a word about the training of our labour force. We have to invest in industry, we have to invest in factories, we have to invest in arterial roads, and all the paraphernalia of industrial development. But we also have to invest in men. A few days ago we discussed a new bill to increase facilities for training manpower. It seems to me that the training of manpower for industry must be associated with industry, not only with formal education. Formal education quite often puts handicaps in the way of absorbing people into the training stream, because we place restrictions on those who can be trained, on who can qualify for industrial training in schools of formal education. They have to have a certain standard of formal education to begin with. We are bringing to this country hundreds of thousands of people who will never be absorbed into our formal schools of education. We must expand facilities for on-job training, and we must examine the plans in Europe which have led the way to on-job training to increase industrial skills, and to investment in manpower.

Another thing we must look at is management. Robert Macaulay, a recent minister of industry in Ontario, made a sensational speech in the city of Windsor the other day in which he said the management in this country is not moving ahead or meeting the challenge, and that it is not as developed as it might be. The problem of management is something we must look at to ensure that we get the most efficient and wisest direction of industry.

Now, Mr. Chairman, a good deal has been said about foreign capital in this country. I sympathize very much with those concerned about the control of industry, but I feel that the problem of foreign capital is an economic one. It is not a political problem, as has been said; it is primarily an economic problem. It is an economic problem to the extent that we have to pay a price in foreign exchange for foreign capital investment in this country. To the extent that we can pay that price we should do so. We must welcome capital investment and make it profitable. We should create conditions which are profitable and secure for all people who invest in this country. At the point where the price becomes too onerous we must look at the problem, and I believe we have to do more to encourage investment by Canadians in Canadian industry. Foreign industry has brought to this country great know-how and industrial skills, both in management and in labour. It is a debt we will have to continue to pay, and to which we must look and remember. Not only have many of the people who have migrated to this country come here highly skilled, but the branch plants which have been established by the most advanced and mature industries of the world have brought their skills, their techniques, their understanding and their knowledge of markets for developing Canadian industry.

We must plan, Mr. Chairman, and put our best intelligence to this problem. It presents many challenges to Canada in the 1960's. I believe the minister and his able assistant will give a direction and an understanding, which will bring a formulation of policies and lend incentives, so that Canada can continue to grow and use her best industrial might for the welfare of all.

Mr. Kindt: Mr. Chairman, the estimates of the Department of Industry provide an opportunity to say a few words on this newly-created department. It has been created by an act of parliament and includes not only its new sphere but also several departments or branches of departments which were already in existence. Above all we want new industry. I am one who is hoping that the new Department of Industry will turn in a good account of itself. We are doing everything possible to assist the minister in the riding of Macleod and in the Crowsnest pass, which has been designated a slow growth area, in order to bring about industrial development.

Before coming to some of the things we are doing by way of co-operation with this department I should like to bring to the attention of the minister some of the obstacles facing his department. There has been some criticism of the word "industry" as the name of the new department. I do not wish to go into the pros and cons, but I think everyone realizes there has been a certain amount of public criticism of the choice of that particular word. I have also heard it said—and I have no hesitation about mentioning this; I do so for a purpose—that a number of industrialists are somewhat afraid that this new department will be in a position where certain individuals may be able to dictate to

them. I hope the minister and the splendid officials he now has from one end of his department to the other will exercise caution in their dealings with industry, and be very careful at all times not to take any kind of dictatorial attitude toward industry. I think, on the other hand, that the policy of the department must be spelled out. It must be made clear and set down in such a way as to enable all those who wish to work with the department or to take advantage of the offers to be able to do so without the possibility of misunderstanding.

The other day, speaking on the estimates of the Department of Finance, I raised the question of the 95 per cent new machinery requirement imposed on new industry desiring to take advantage of the designated area assistance. I still hope the minister will reconsider this particular provision, if he has not already done so. If he has some change to announce in this regard I would be delighted to hear him. I would point out that when small industries are being started in the new area it is usual for them to gather together machinery which has already been used and move into premises which are not new. A great deal of capital is necessary before a new industry can become established, and it is often necessary to begin by using second hand machinery and buildings which have been occupied before. I was hopeful when I raised this question with the Minister of Finance that he would be able to make some alteration in this rigid rule with respect to the 95 per cent requirement.

In the Crowsnest pass area we have the only designated area in Alberta. Part of it is in Alberta and lies within the Macleod riding, but the western part of the designated area lies within the constituency of east Kootenay. The area in Alberta has already organized a chamber of commerce which includes the entire Crowsnest pass area. In other words, instead of having a chamber of commerce attached to each particular town, we have one body for the entire area. In addition, the people there have organized an association known as the Crowsnest pass development association. They have gone several steps beyond that. They asked the Oldman river regional planning commission to help by preparing a new brochure which will bring together all the potentialities for industrial development, and make them available to prospective investors who might wish to know what the opportunities are in the Crowsnest pass area. The feeling is one of optimism. We have seen a tremendous growth of industrial development in southwestern Alberta during the past six or seven years. Some 20 new industries have been started in the Macleod riding. And we want more, especially petrochemical industries. We have the natural resources and we want more industry.

I might spend a few moments pointing out how some of these industries that we now have came about. One method has been the sale of abandoned airports. The airport at Macleod was sold to the town of Fort Macleod, and the town in turn resold two hangars to a plywood manufacturing concern which is now employing over 60 people. When it is in full swing we expect it will employ over 100 people. The other hangars were sold to a trailer manufacturing concern which is employing between 60 and 70 people. Then a steel factory was established in another hangar and this, in turn, has been employing 30 or 40 people. The Trail Smelters, selling fertilizer, have purchased one hangar and have put in a spur railroad. They are now employing 20 or 30 people and using the hangar as a warehouse and distribution point for Elephant brand fertilizer. Another hangar has been leased to a furniture and mattress manufacturing concern.

So industries are coming to the old town of Fort Macleod. It stood still for a number of years but now, with the sale of the airport and the spread of industry there, everything is booming. The people are happy and that is what we want to see all over, with the growth and development of new industry.

The Vulcan airport was sold to the county of Vulcan and the county, in turn, sold part of it to a concern which is building houses. I understand this concern is now doing very well. I am informed by the minister, by officials of the Crown Assets Disposal Corporation, by members of the municipality of Willow Creek and of the town of Claresholm that the sale of the Claresholm airport is in its final stages, if it has not been completed. I made the suggestion to the three levels of government that they should get together and decide among themselves on the purchase of this airport. The purchase has been held up for a number of years as a result of legal action, but this was all swept away with the amendment of the Alberta municipal district act. It was hoped that these three levels of government would formulate a policy which, in turn, would help the industrialization of the Claresholm area.

While I am on this subject I want to say a word of congratulation and thanks to the people in the Department of Industry and in particular to the Crown Assets Disposal Corporation. During the past five years I have had occasion, during the handling of these other airports, to co-operate with and do my part as a member to help bring about this development of industry in these old

hangars. I have always received excellent co-operation from Mr. Richard, who is the president of the corporation, Mr. O'Donoghue, and many others I could name in the Crown Assets Disposal Corporation. Quite often these people are the unsung heroes when it comes to matters of industrialization. They have a job to do and in these complicated matters you have to get a meeting of minds. My experience has been that we have had good co-operation from the members of Crown Assets Disposal Corporation.

We have had word, Mr. Chairman, of this terrible new tragedy, this airplane tragedy, which occurred between Montreal and Toronto in which 111 passengers and seven crew members were involved, and this has served to dampen our whole evening performance. There is a bigger crowd out in the rotunda than there is in this chamber. This tragedy brings to one's mind the question of safety, which is an industrial problem. These airplanes are manufactured in Canada, the United States or in England. Safety is of paramount importance in the construction of these airplanes in this day and age, when we look to air travel as one of the accepted methods of travel.

So, Mr. Chairman, I close with the hope that the Department of Industry, with the problems which a new department does have, will be able to overcome the difficulties with which they are faced. Finally, I should like to invite the minister to come to the west, and I will take him in a car to the Crowsnest pass and show him what we have in the way of natural resources that we want developed. We want more petrochemical industries. We have almost every natural resource you can imagine, but what we need is industry. We have 7 per cent of the world's coal supply, and we believe that industries which locate in the area will be competitive with those operated in any other area of Canada. So, I extend an invitation to the minister to visit us and become familiar with the things that we have to offer. Then, as a result of this close-up view he will be in a better position to appraise the work of his department and co-operate with all of us who are trying to co-operate with him.

[*Translation*]

Mr. Lessard (Lake St. John): Mr. Chairman, I should like to add a few words to the remarks made today on the estimates of the Department of Defence Production and of the new Department of Industry, in order to comment on certain events likely to influence the economic growth of our country, and more especially of some of its areas.

I know that the new Department of Industry, headed by the hon. member for St. Antoine-Westmount (Mr. Drury), who is also Minister of Defence Production, is a department which in the next months and in future years will become vitally important if our country is to undergo the industrial development which we all hope for and which our country sorely needs.

Mr. Chairman, if we wish to direct the development of industry and of our natural resources, I think that the Department of Industry which has just been established along with the Canada economic council will have an essential part to play. However, its function will be conditioned by the co-operation granted by the provincial governments and other similar bodies which these authorities have established to look after the development of our natural resources.

Mr. Chairman, this shows our need of a liaison body between the provincial and federal authorities, in order to develop our industries and our natural resources.

We cannot imagine at the present time the federal government fully discharging its duties without a close and continuous co-operation with the provincial governments. I believe the discussions which have taken place these last few days, within the framework of the federal-provincial conference just ended, have proved that we could no longer conceive the role of the federal government as an absolute one to be played regardless of the needs and wishes of the provinces.

I believe that, in the economic development of our country, we must not expect any action to achieve concrete results without the full co-operation of provincial organizations.

Mr. Chairman, many recent developments in our country were such as to make us understand how important that co-operation is.

I should like to refer especially to what happened when an attempt was being made to designate the areas in this country which were to get special assistance from the government to deal with chronic and permanent unemployment.

From what we have heard, those areas were designated without the provincial governments being consulted beforehand.

I think, Mr. Chairman, that this shows the extent of the lack of co-operation and planning.

The provincial governments have area development agencies and economic planning agencies. When the central government decides to choose arbitrarily some areas in order to help them, without taking into account the views expressed or the plans submitted by the provincial governments, I think that proves the lack of co-operation which must necessarily result in duplication

of agencies that must help an area. I do not think that is in the interest of our country and its expansion.

These designated areas were selected according to criteria referring to the unemployment situation over the last eight years. I know that several criticisms were submitted to the various departments concerned as well as to the Minister of Industry, about the basis which was used for the selection of these areas.

Like many other members, I submitted my personal criticisms and those of my fellow citizens on this matter, precisely because some criteria that were used as a basis were not fair and did not represent the problem as it existed.

I know that other areas and other cities were designated since, and can benefit from the advantages of the plan. And I am sure also that here again we have a measure that is only a temporary makeshift to the major problem which faces us at this time, namely the development of our industries.

As most hon. members in the house and probably most citizens in this country, I followed with interest the effort made by the Minister of Industry to increase the production of automobile parts in our country.

Mr. Chairman, I was surprised at a certain moment to see that Canadian ministers had to go to the United States in order to request, or rather to beg permission to increase production of automobile parts in Canada. I then realized to what extent we were dependent on the United States and also to what extent we were still a colony. I realized how impossible it is to understand that Canada is politically independent, since, at the base of all independence, there must be economic independence, and there is no possible sovereignty, if we do not have first of all economic independence. I was really amazed to see that we had to ask the Americans permission to increase our production of parts involved in the construction of automobiles used on Canadian roads.

That leads me into believing—I may be wrong—that if the Canadian government saw fit to choose the DC-9 for T.C.A. rather than another aircraft, no matter where it came from, but which would have been practically completely built in Canada, that decision was taken under undue pressure. Indeed, the aircraft chosen is still in the development stage and the government probably reached that decision in order to be authorized, in return, to increase production of automobile parts in Canada.

We know that the American government, through some of its high officials, threatened to retaliate to that praiseworthy project of the minister, which I completely approve, to increase production of automobile parts in Canada. I think that the minister and probably the government had to make some concession behind the curtains to get the authorization to increase production of automobile parts in Canada.

Mr. Chairman, that was very detrimental to our country because if we must, every time we wish to increase our industrial production in this country, concede an advantage in the same proportion to another sector of the American industry, all our efforts are useless and give no concrete or practical result.

I understand, Mr. Chairman, that the government based its decision on technical reports prepared by experts who picked the DC-9 rather than the Caravelle or another aircraft. It simply played with words, because this same government rejected the findings of the report submitted by these same experts to keep the maintenance depot of Trans-Canada Air Lines in Winnipeg.

There we see to what extent a government may be influenced first by political considerations and secondly by unwarranted pressures from a foreign power on our industrial development. We, of the central government, want to use the whole potential of this country to increase its productivity, to fight unemployment in the various sectors, and I suggest this is quite fair and normal. The Department of Industry and especially that of defence production, which are both under the same man, should realize that the country is made up of ten provinces, when the time comes to award contracts to meet the requirements of the Department of National Defence concerning armaments or various supplies.

Thus, in those contracts to be awarded, the lowest tender should not be the only factor to consider. Keeping the economic development of our country in proper balance should also be taken into account. By that, I want to point out to the minister that when, in any one year, he has to grant contracts to the amount of about $100 million, the provinces are entitled to consideration on a fair basis for these contracts. No province has a priority right.

I hope the minister will remember that there are in the province of Quebec, as well as in the province of Ontario and other provinces in Canada, industries which are duly qualified to meet the needs of his department. Moreover, such a policy would help reduce the high level of unemployment we now have in the province of Quebec.

I would like to mention at this point that we cannot rely solely on the expenditures of

national defence and defence production departments to maintain our country's economy. I feel it is wrong to base the economy of a country on defence production. I do not believe we can build an industrial complex on military production alone, but since the government spends almost $1.75 billion yearly for military purposes, since in the present circumstances it seems impossible to do otherwise in the near future, I am of the opinion that it is natural for all citizens of the country to be able, at least on a reasonable basis, to share in this distribution of revenues from taxes taken from the pockets of all Canadian taxpayers.

Along different lines, the Minister of Industry will certainly be able to play an important part in the establishment and development of some industries in this country.

As a member from the province of Quebec, I would like to draw the minister's attention to this plan which the province is now considering, namely the setting up of a steel industry.

Of course, I agree that it might come into conflict with some interests in southwestern Ontario, because there is already one such industry in the Hamilton area; but, in my opinion, if you consider that Quebec is rich in iron ore which, in the years to come, will not only supply the Canadian market but also parts of the European and American market for raw materials, I maintain that the province has the right to get some assistance from the central government to carry out that project.

I believe that the province of Quebec is counting heavily on that project at the present time, since it considers that, logically, other secondary or similar industries will be built around that industrial complex to increase the number of jobs in our province, thus alleviating unemployment while increasing the production of consumer goods in our country, which will make up for our chronic trade deficit with regard to manufactured goods.

Mr. Chairman, we realize that the steel industry will experience difficulties in the beginning. We also realize that the domestic market is limited and that we will have to compete with foreign markets. But I feel we must be optimistic in this regard and consider that the world population is growing steadily, that requirements are increasing, and that the supply sources of European countries are gradually becoming exhausted, as is the case in the United States at present.

If the province of Quebec is to supply heavy industry, I think it is only logical that it should benefit not only from the raw materials, but also from certain stages of their processing.

[Mr. Lessard (Lake St. John).]

The newly established Department of Industry is, therefore, well suited to establish the kind of planning that seems to be advocated by everyone. It can therefore play an essential part which will actually be worthwhile, if the department seriously considers the prospects now available in the province of Quebec as far as industrial development is concerned.

We should develop our heavy industry as well as our secondary industry and the minister has a gigantic task to carry out. I know that he will prove equal to the task in all respects and I hope that he will come up to our expectations because he is responsible for the progress of our national industrial development.

Mr. Chairman, like several of my fellow citizens and colleagues in this house, I have returned from a trip to Europe, and I have been astonished to see how some countries with very limited resources could come up with tremendous achievements.

Allow me to give you only one typical example of what I saw. Denmark, a country without any known natural resources, located on a peninsula and a few islands, has a balanced trade and enjoys full employment, with a population of only 4½ million people. In addition, it is in Europe where trade is highly competitive. Yet, the standard of living in that country is almost as high as ours. In short, it is a country where living conditions are good.

I was particularly surprised when I found out that that country managed to maintain a favourable trade balance thanks to its merchant marine, and I should like to draw the minister's attention on this particular point. Why? Because recently, the government, through the Minister of National Defence (Mr. Hellyer) decided—and I readily support this move—to cancel the famous contract for the building of eight frigates at a cost of $452 million. Ships which in no way would have increased our industrial or commercial potential.

Mr. Chairman, I insist on purpose on the fact that if we had the money to build eight ships at a cost of $452 million, we could have set up a merchant marine for the shipping of our products to potential markets, instead of having to rely on foreign shipping companies.

If a small country like Denmark can build up a powerful merchant marine, I wonder why Canada could not do the same.

Recently, I was told of a company which operates 100 cargo ships which sail the seven seas but which are never anchored in Danish harbours. Those ships serve several countries and it is with the profits which Denmark

makes with its merchant marine that it can balance its trade deficit since it has no natural resources.

If such a small country of 4½ million people can do that, I must say that I am somewhat ashamed to be a Canadian because a country as rich as ours lacks the energy, the will-power and the initiative to achieve such an objective.

I believe that if the present government is willing to give a positive ideal to the Canadian people and has the courage to make them aware of the sacrifices they must undergo to attain this ideal, the Canadian people will agree to these sacrifices in order to achieve such a commendable purpose. I think that if those countries were able to attain such unsuspected goals, we Canadians should be able to attain similar objectives in a relatively short time. Mr. Chairman, the Canadian government is able to do that with the support of all members of the opposition, if it is willing to take action.

Time for talk and planning is over and if this government wants to regain the confidence of the people, which is now rather shaky, it will have to take positive action and not be afraid of the criticism of some groups which will necessarily be affected by the resulting general well-being. The government must act so that the problems of economic stagnation which we are now experiencing in Canada may be solved in a relatively short time.

We have switched governments, we had four and even six elections during a comparatively short period, and the Canadian people are now asking: where is the solution? Where are the men who will actually solve our problems?

Mr. Chairman, it is our duty and our responsibility to find an answer, and if the present government has a concrete plan to solve our present problems, I suggest that they table it and we will support it, for it is not the interests of a particular political party which I have in mind: it is the well-being of the people and the country which must take precedence over all other considerations.

It is for that reason that I earnestly ask the minister to realize the importance of the responsibility which has been placed upon him at this time, because in this government, this is undoubtedly the department best suited to solve one of the most serious difficulties of the country: unemployment and all the ensuing economic and social problems.

I wish him well and he may be sure of my wholehearted support for any concrete plan which he may care to undertake.

Item agreed to.

[*Text*]

ATOMIC ENERGY CONTROL BOARD

1. Administrative expenses of the atomic energy control board, $133,700.

Mr. Fisher: Mr. Chairman, I should like to know if the minister is going to make any statement with regard to all the questions that have been asked recently about the location of developments. Has he got anything more to add now?

Mr. Drury: Mr. Chairman, if these votes can be carried rapidly I think I will fill in the remaining time trying to answer the hon. member for Port Arthur.

Item agreed to.

ATOMIC ENERGY OF CANADA LIMITED

L5. Advances to Atomic Energy of Canada Limited in such amounts and in such terms and conditions (including the delivery to Her Majesty, in satisfaction of the advances, of obligations or shares of the company) as the governor in council may approve, to finance the construction of the Douglas Point generating station; to finance the construction of housing and other works near the Whiteshell nuclear research establishment and to authorize Central Mortgage and Housing Corporation to undertake construction of housing and other works for Atomic Energy of Canada Limited, $28,923,000.

The Deputy Chairman: Shall the vote carry?

Mr. Nowlan: On the understanding the minister will make a statement later saying the heavy water plant is going to be put in Nova Scotia.

Item agreed to.

DEPARTMENT OF DEFENCE PRODUCTION

15. Grants to municipalities in lieu of taxes on crown owned defence plants operated by private contractors, $164,000.

The Deputy Chairman: I think there is a correction to vote No. 15.

Item agreed to.

NATIONAL RESEARCH COUNCIL

1. Salaries and other expenses, $40,725,200.

Mr. Fisher: Could the minister give us further details about what general plans he has? He indicated that the national research council is going to expand its program. How much?

Mr. Drury: In respect of the question asked by the hon. member for Port Arthur, at the present time the national research council is supporting in Canadian universities, in most cases wholly but in some cases only in part, by grants in aid, 1,200 professors and 2,400 graduate students. The five year forecast for university support, not including support

specifically for medicine, is that it will be just about triple by that time. That is what is planned. I cannot give the hon. member precise numbers as to how many post-graduate students, pre-doctorate students and university professors this will involve but it does indicate that in addition to the quite substantial numbers now in the physical sciences who are being assisted by the national research council there will be a substantial increase in these numbers.

Mr. Fisher: Five years will take us to 1968. If, as I understand, university enrolment is going to double at a minimum by 1970 from what it is at the present time, the tripling of this particular program in the next five years really does not look that impressive when it is put in those terms. I should like to know what plans the national research council has to scale their program in relation to this increased enrolment.

Mr. Drury: I suggest that the tripling of support in relation to the hon. member's forecast of only a doubling of enrolment indicates that there will be a relative increase in support. As I indicated, we do recognize that more has to be done. In the forecast I have just given of a rate that is triple perhaps recognition should be had of the fact that, as the hon. member pointed out a little while ago, one of our tasks is not only to increase the output of the universities but more particularly to find jobs for them in Canada. The hon. member will recollect the figure that he gave, that some 26 per cent of those who graduated went elsewhere than Canada to find work. It seems to me, as I indicated in my initial remarks, that the first and increasing emphasis should be placed on increasing the possibilities of these graduates in the physical sciences finding employment within Canada, while at the same time increasing the scale of assistance itself. All I can say is that we have a slightly different scale of priority than that suggested by the hon. member for Port Arthur. But I would indicate that the national research council intends to increase its support to universities in light of the measure of its present effort and the forecast expansion of our universities.

Item agreed to.

Mr. Fisher: Ten thirty.

Mr. Churchill: Mr. Chairman, is it not advisable to carry on and complete these various areas? There has been a good bit of restraint exercised here. I have put aside some very eloquent speeches on atomic energy, the national research council, the medical research council, and so on. Surely we should get on and sit for another 15 minutes, if you like. The minister might answer certain questions which we have asked and we can complete this particular department. There was an unfortunate incident last week when he was prevented from going ahead with his estimates; let us now make up for that lost time.

Some hon. Members: Agreed.

The Deputy Chairman: Vote No. 10—

Mr. Fisher: Ten thirty.

Mr. Nowlan: And you write about parliament.

The Deputy Chairman: It being ten thirty o'clock shall I rise, report certain resolutions, and request leave to sit again at the next sitting of the house?

Some hon. Members: Agreed.

Mr. Nowlan: Do I understand the minister will not make a statement until Monday saying that the heavy water plant is coming to Nova Scotia? Do we have to wait till then for the word?

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Churchill: I should like to ask the acting house leader what the business will be for Monday and other days next week.

Mr. Hellyer: On Monday we will take interim supply and after that the redistribution bill. Unfortunately the business for Tuesday cannot be announced at this time, until we see what progress is made.

Mr. Churchill: What about the defence estimates? Are we getting those next week?

Mr. Hellyer: I would certainly hope so.

It being twenty four minutes before eleven o'clock the house adjourned, without question put.

[The following items were passed in committee of supply this day:]

DEPARTMENT OF INDUSTRY

1d. Departmental administration, $665,000.

ATOMIC ENERGY CONTROL BOARD

1. Administration expenses of the atomic energy control board, $133,700.

5. Grants for researches and investigations with respect to atomic energy, $900,000.

ATOMIC ENERGY OF CANADA LIMITED

(Research program)—

10. Current operation and maintenance including expendable research equipment, $31,468,600.

15. Construction or acquisition of buildings, works, land and equipment and to authorize Central Mortgage and Housing Corporation to undertake construction of works near the Whiteshell nuclear research establishment for Atomic Energy of Canada Limited, $13,466,300.

L5. Advances to Atomic Energy of Canada Limited in such amounts and on such terms and conditions (including the delivery to Her Majesty, in satisfaction of the advances, of obligations or shares of the company) as the governor in council may approve, to finance the construction of the Douglas Point generating station; to finance the construction of housing and other works near the Whiteshell nuclear research establishment and to authorize Central Mortgage and Housing Corporation to undertake construction of housing and other works for Atomic Energy of Canada Limited, $28,923,000.

DEPARTMENT OF DEFENCE PRODUCTION

A—Department—

1. Departmental administration, $9,913,200.

1a. Departmental administration, $337,900.

5. Care, maintenance and custody of standby defence plants, buildings, machine tools and production tooling, $808,100.

5a. Care, maintenance and custody of standby defence plants, buildings, machine tools and production tooling, $23,400.

10. For the establishment of production capacity and for capital assistance for the construction, acquisition, extension or improvement of capital equipment or works by private contractors engaged in defence contracts, or by crown plants operated on a management-fee basis, or by crown companies under direction of the Minister of Defence Production, subject to the approval of treasury board, $1,521,500.

15. Grants to municipalities in lieu of taxes on crown owned defence plants operated by private contractors, $164,000.

20. To establish qualified sources for the production of component parts and materials, subject to the approval of treasury board, and to authorize commitments against future years in the amount of $450,000, $350,000.

20a. To establish qualified sources for the production of component parts and materials, subject to the approval of treasury board, and to authorize, notwithstanding section 30 of the Financial Administration Act, total commitments of $1,200,000 for the foregoing purposes during the current and subsequent fiscal years, $100,000.

25. To sustain technological capability in Canadian industry by supporting selected defence development programs, on terms and conditions approved by treasury board, and to authorize, notwithstanding section 30 of the Financial Administration Act, total commitments of $40,000,000 for the foregoing purposes during the current and subsequent fiscal years, $10,000,000.

25a. To sustain technological capability in Canadian industry by supporting selected defence development programs, on terms and conditions approved by treasury board, $3,500,000.

B—Crown Companies—

30. Expenses incurred by Defence Construction (1951) Limited in procuring the construction of defence projects on behalf of the Department of National Defence and procuring the construction of such other projects as are approved by treasury board, $2,320,000.

30a. Expenses incurred by Defence Construction (1951) Limited in procuring the construction of defence projects on behalf of the Department of National Defence and procuring the construction of such other projects as are approved by treasury board, $300,000.

Canadian Arsenals Limited—

35. Administration and operation, $4,000,000.

40. Construction, improvements and equipment, $391,900.

NATIONAL RESEARCH COUNCIL

1. Salaries and other expenses, $40,725,200.

Construction or acquisition of buildings—

5. Construction or acquisition of buildings, works, land and equipment, $3,243,500.

HOUSE OF COMMONS

Monday, December 2, 1963

The house met at 2.30 p.m.

TRANS-CANADA AIR LINES

EXPRESSION OF SYMPATHY FOR FAMILIES OF CRASH VICTIMS

Mr. Speaker: This past week end, like the one before it, has been highlighted by tragedy. Just seven days after the untimely death of the President of the United States, Canadians were faced with another shock in the air disaster near Montreal that happened with such suddenness and took 118 lives. This crash, the worst in Canada's aviation history, has brought grief to many Canadian homes and has made its tragic impact on the entire nation.

I am sure that hon. members on all sides of the house would want me on their behalf to record their grief and sympathy for the families of those who lost their lives in this disaster.

[*Translation*]

I am sure that hon. members would not object to my expressing sympathy on their behalf to the bereaved families of those who lost their lives in this tragedy.

[*Text*]

STATEMENT BY MINISTER RESPECTING CRASH

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, I wish to make a statement regarding the catastrophic accident which occurred at St. Therese, Quebec, on November 29, 1963, involving a Trans-Canada Air Lines DC-8F jetliner operating as flight 831 which departed Montreal at 28 minutes past six o'clock and crashed approximately six minutes later with the loss of 118 lives and complete destruction of the aircraft.

To date the major hub of activity of the investigation which was instituted immediately has been at the crash scene. In addition, immediate steps were taken to secure the area in order that the technical investigation would not be hampered, and in this connection my officials have informed me that the Quebec attorney general's department, the Quebec provincial police and civil defence authorities have rendered invaluable assistance and co-operation. The assistance and co-operation of all organizations in the area has been most outstanding.

28902-5—339½

Investigation of this accident is under the direction of the most senior accident investigator of my department, and temporary headquarters have been established at the Montreal international airport. Because of the very nature of the accident it has been necessary to establish a comprehensive accident investigation organization unique in the history of this country. Experts from every available source have been called in to assist my department in this investigation.

The scope and complexity of the investigation is such that it was necessary immediately to set up six groups of specialists from various fields of aeronautical activity, which include structures group, aircraft systems group, human factors group, operations group, power plant group and historical records and documents group. Personnel to head or work in these groups have been recruited not only from the department and from Trans-Canada Air Lines but also from the national research council, from the security and criminal investigation branches of the Royal Canadian Mounted Police, from the Royal Canadian Air Force, explosive experts from the Canadian army and an expert adviser from the Canadian air line pilots association. In addition the United States federal aviation agency and civil aeronautics board have offered assistance, as well as the manufacturers of the aircraft and engines.

Any aircraft accident investigation of this complexity may be expected to be laborious and time consuming because every possible avenue must be explored fully. For this reason it is extremely doubtful whether I will be in a position to give the house any firm indication of the cause of the accident for some time to come.

The investigation to date indicates that the departure from Montreal was normal in every respect and radio communications between the airport and the aircraft were routine, with no indication whatsoever of the flight crew experiencing any abnormalities. Department of Transport radar operators tracked the aircraft from take-off to a point north of the city, when it disappeared from the radar scope. Communications during this period confirm that the aircraft was following its air traffic control clearance and had passed through 3,000 feet on a climb in accordance with its flight plan.

Beyond this, I am afraid I must advise the house that I am unable to provide any further information at this time.

Trans-Canada Air Lines Plane Crash

Hon. Leon Balcer (Three Rivers): On behalf of the opposition I wish to thank the minister for having given us an interim report on this tragic accident, and in the name of the opposition I would like to join with the hon. gentleman in offering to the families concerned, the management and the personnel of Trans-Canada Air Lines, our condolences.

Mr. T. C. Douglas (Burnaby-Coquitlam): Members of this party would like to join in the expression of condolence which has been made by Your Honour and by the hon. member for Three Rivers. We share the deep sense of grief caused by a tragedy which came so unexpectedly to so many homes in Canada. To the families of the passengers and of the crew of the airliner which was destroyed the other evening we extend our deepest sympathy.

I am glad to learn the minister has ordered such an extensive inquiry. I think it would do much to relieve the minds of the people of Canada to have a report at the earliest possible date particularly as to whether there is any defect in the aircraft itself, whether there was any disregard of the air regulations set forth by the air transport board, and so on. These are factors which the public will want to know at the earliest opportunity, and I am sure the minister will press the investigation as speedily as possible.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, on behalf of the Social Credit group in the house I should also like to express our deepest sympathy to the members of all the families who have been struck by the unexpected and heartrending catastrophe and tragedy that took place over the week end. I think this disaster has perhaps hit us harder than it otherwise might have because of the tremendous safety record that our two national air lines have been able to establish through the years.

Whenever travel is involved on the scale that exists in Canada, whether it is in the air, via railroad or by any other public carrier, there is always the danger of accidents claiming the lives of people. Certainly this also applies to the highways, where we are not so impressed by tragedy as we are in this case even though over the year highway accidents take many times the number of lives. We do have something for which we are grateful, however, and that is the safety record which our public carriers have established. This does not detract from the sorrow and grief that the whole nation feels at this time because of this particular tragedy.

[Mr. McIlraith.]

[*Later:*]

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, the members of our party join with the other members of the house to convey our deep sympathy to the members of families bereaved when a DC-8F aircraft of T.C.A. crashed on Friday evening.

[*Text*]

[*Later:*]

On the orders of the day:

Hon. D. S. Harkness (Calgary North): I wonder if the Minister of Transport could inform us whether this crashed plane was carrying a flight recorder, and if there are any regulations concerning the installation of that type of equipment in this large transport plane.

Hon. G. J. McIlraith (Minister of Transport): I should like to check the answer, but I believe it was not carrying a flight recorder. I should like to check the question fully and give an answer tomorrow.

Mr. John N. Turner (St. Lawrence-St. George): I wonder whether, in view of the difficulty of investigating this crash, the minister is contemplating imposing a regulation under which a flight recorder will be made a compulsory piece of equipment.

Mr. McIlraith: I will take the hon. member's suggestion under consideration.

PRIVILEGE

MR. MCINTOSH—STATEMENT IN DEBATE BY MINISTER OF AGRICULTURE

Mr. Jack McIntosh (Swift Current-Maple Creek): I rise on a question of privilege, Mr. Speaker, arising out of a statement in this house by the Minister of Agriculture. I am sorry that he is not in his seat today.

An hon. Member: As usual.

Mr. McIntosh: As a basis for my question of privilege I should like to repeat a question I asked the minister in the house on November 26. It reads as follows:

> Mr. Speaker, I should like to direct my question to the Minister of Agriculture, but in his absence I will direct it to the Acting Prime Minister. It arises out of a statement the Minister of Agriculture apparently made to a Liberal audience in Red Deer, Alberta, as reported in the Edmonton *Journal* of Monday, November 25, in which he said in part "Patronage, what is that? I select people according to merit." If it is government policy that personnel are selected on merit why was it, in view of this statement by the minister, that Mr. George Walker, the former P.F.A.A. supervisor for Swift Current, was discharged from the government service? Either this statement is false or the minister does not practice what he preaches.

On November 28 the minister was in his seat. My remarks at that time are reported on page 4188 of *Hansard* and read as follows:

Mr. Speaker, I think we are all pleased to see the Minister of Agriculture back in the house, and that he has made such a rapid recovery from his recent illness. I see he has *Hansard* in his hand, and I presume he has an answer to the question I directed to him in his absence the other day.

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, the hon. member for Swift Current-Maple Creek asked the Acting Prime Minister this question on Tuesday last, and the Acting Prime Minister was pleased to turn it over to me this morning. I am glad to reply to the question, which reads in part as follows:

I will not repeat my previous question. Then the minister went on to say:

Mr. George Walker was discharged on the recommendation of the director because he did not perform his duties satisfactorily. The director was appointed by the previous administration and is a good man.

Then I asked a supplementary question as follows:

I have another question for the Minister of Agriculture arising out of the answer he gave to my earlier question. I understand that in his files he will find the report made by the present director in regard to the supervisor to whom I just referred, to the effect that he was the most capable supervisor in that branch.

Mr. Speaker: Order. What is your question?

Mr. McIntosh: If he does find this report, will he consider firing the director and reinstating the supervisor?

Mr. Hayes: I should like to answer the hon. member's question. Apparently he does not understand that the problem arose out of the fact Mr. Walker was taking orders from the hon. member for Swift Current-Maple Creek instead of the director. This was one of the problems, and was not satisfactorily fulfilling his job.

It is on that last statement my question of privilege is based. In fact I believe there are two people involved in this question of privilege, and the first is the supervisor who was wrongfully discharged and is unable to come into this house to protect himself. I suggest to hon. members in this house, particularly the backbenchers, that they should make an effort to protect civil servants from these bureaucratic senior officials, which is apparently what happened in this case.

In so far as I am concerned, I deny that I gave orders of any kind to Mr. Walker at any time. I ask that the minister either withdraw that statement—and if he does withdraw the statement there is no basis for the dismissal of the supervisor—or I will waive the privilege and challenge him or the government to produce the facts on which they base the statement that I at any time gave orders to this supervisor.

[*Later:*]

On the orders of the day:

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, since the rules prevent me from directing a question to you, may I direct it to the Prime Minister. Since no action can be taken on the question of privilege I raised until the Minister of Agriculture is in this house, will the Prime Minister advise the house when the minister will make his next appearance? My second question is, will the Prime Minister give consideration to reinstating Mr. Walker because he was dismissed on false evidence?

Right Hon. L. B. Pearson (Prime Minister): I am informed that the Minister of Agriculture, who is on official business today, will be in the house during the day and no doubt will be anxious to take under advisement the statement made by the hon. member this afternoon.

MR. DIEFENBAKER—NEWSPAPER REPORT OF STATEMENT RESPECTING PRIME MINISTER

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I have a question of privilege, Mr. Speaker, arising out of a report by the Canadian Press, a Winnipeg dispatch, and also a reproduction of a portion of that statement by *Le Devoir*. I read what the statement said:

Mr. Diefenbaker, here for a Conservative Grey Cup party, said that Prime Minister Lester Pearson has acceded to every demand made by Quebec and that whenever Mr. Pearson receives a request from Mr. Lesage, the federal government seems to bow to Quebec's wishes.

Later on I am quoted as saying:

"And it's true that the Prime Minister has diplomatically capitulated every time Quebec has asked him to do something".

Then further on, also in quotation marks:

"But generally speaking, it seems the government gives in to Quebec on many matters".

Then in *Le Devoir* there is this statement:

—he noted the federal government seems to give in rapidly to the desires of Quebec.

I want to say, Mr. Speaker, that those words purporting to have been said by me were not said by me. At no time throughout my entire interview did I refer to Quebec. That is not the only portion of the alleged interview which is incorrect. There is also something with reference to the agriculture minister. The report states that I said:

"He is never on the Liberal bench in the House of Commons".

I have a manuscript which sets out what I said, a record of the interview which I gave, and it entirely bears out what I have already said. However, so there is no mistake about the Minister of Agriculture, what I said was this:

The Liberal team has failed and it is generally agreed there will be a number of unconditional

releases at the end of this season. The Minister of Agriculture is away most of the time scouting for replacements.

It is unfair to the Minister of Agriculture to suggest that he is never on his bench. In so far as the other statement is concerned, I cannot understand how a statement like that could have been reported in quotation marks. I say unequivocally and without fear of any contradiction that under no circumstances did I mention Quebec.

Mr. Chevrier: Well, you certainly left that impression with the house last Wednesday.

Mr. Diefenbaker: I did not catch the observation of the hon. gentleman.

Mr. Chevrier: I said to the right hon. gentleman that he certainly left that impression with the house from the question he put to me on Wednesday of last week.

Mr. Diefenbaker: The impression made on the Minister of Justice was not a result of anything I said, and I have made that unequivocally clear so that this kind of political action which is in mind by those who propagate that type of thing is answered now once and for all.

MR. NASSERDEN—ABSENCE FROM HOUSE OF MINISTER OF AGRICULTURE

Mr. E. Nasserden (Rosthern): Mr. Speaker, I rise on a question of privilege arising out of an answer given in the house on November 27 by the Acting Prime Minister (Mr. Chevrier), who at that time indicated that the Minister of Agriculture was absent because of illness. Last Friday, in answering a question in the house, the Minister of Agriculture indicated that he was in Regina that day to address a Saskatchewan Liberal association meeting. I wonder if the Prime Minister would set up a committee, headed by the Minister of National Health and Welfare, to look into this matter and establish the truth.

[*Later:*]

Mr. Nasserden: Surely the Minister of Justice will answer my question?

Mr. Speaker: Order, please.

RAILWAYS, AIR LINES AND SHIPPING

CONCURRENCE IN FIRST REPORT OF SESSIONAL COMMITTEE

Mr. J. T. Richard (Ottawa East) presented the first report of the sessional committee on railways, air lines and shipping, and moved that the report be concurred in.

Motion agreed to.

DOMINION-PROVINCIAL CONFERENCE

TABLING OF COMMUNIQUE BY PRIME MINISTER

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I should like to table in English and in French the communique of the federal-provincial conference which met in Ottawa from November 26 to 29.

INDUSTRY

HEAVY WATER PLANT—ACCEPTANCE OF PROPOSAL AND LOCATION OF SITE

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I wish to inform the house that the government has approved the acceptance of the proposal submitted by Deuterium of Canada Limited to construct and operate a plant to produce heavy water in Canada. In its proposal, submitted to Atomic Energy of Canada Limited prior to May 31, 1963, the closing date for receipt of proposals, Deuterium of Canada Limited made an unconditional offer to produce heavy water in Canada for sale at a price which is considerably lower than that of other bidders who fulfilled the conditions established by the government. The proposal by Deuterium contained a commitment that the company would have a substantial degree of Canadian equity participation. Also the company agreed to utilize the maximum possible quantities of Canadian materials and equipment in the construction of the proposed plant.

Deuterium of Canada plan to construct their plant in Cape Breton. The plant will provide an assured market for Nova Scotia coal in Nova Scotia.

The production of heavy water is a further important step in Canada's program of developing nuclear sources of energy. The facilities of the new plant will be available to supply the requirements of heavy water in Canadian-designed reactor stations in Canada and abroad. Under the new arrangement, Deuterium of Canada will produce not less than 200 tons of heavy water per year for the first five years of production. The sale of this quantity of heavy water will be underwritten by the government of Canada. In view, however, of the keen interest at home and abroad in the Canadian reactor program the prospects for the sale of heavy water appear most promising.

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, I am sure we all listened with great interest to the statement by the minister. I listened with particular interest, and I would think all members of the house are more than pleased that the government has taken this action. I can only say

we have had a little while to wait, but it certainly has been worth waiting for this announcement.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I am glad the government has finally made an announcement regarding the location of the proposed heavy water plant. I hope that at some future date, probably during discussion of his estimates, the minister will give us some further information as to whether this was the company that was recommended by Atomic Energy of Canada Limited and its technical advisers. Until we have that kind of information we cannot know whether this was the right decision, but if it was the site recommended by the technical people involved in this field, then of course we are satisfied.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, this is not a time for debate, but I think a remark is in order in relation to the announcement just made by the Minister of Industry. I am particularly pleased that the announcement has finally been made. It is almost five months to the day since tenders were supposed to have closed, and I trust that the time it took to make the decision is that much more evidence that the decision is the right one. I am particularly concerned to know whether the decision which has been made is the one that is based on the economic factors involved, because it is the tax dollars of the Canadian people which will be spent on this project. I trust further information will be made available so the Canadian people may understand that this was the basis of the decision which has just been announced.

[*Later:*]

On the orders of the day:

Mr. H. Russell MacEwan (Pictou): May I direct a question to the Minister of Industry arising out of the statement he made this afternoon with regard to the heavy water plant. Has he been advised that under this proposal the government of Nova Scotia has undertaken financial commitments with regard this heavy water plant, I understand in the vicinity of $25 to $30 million?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I am sorry but I did not quite get that question. Would the hon. member repeat it?

Mr. MacEwan: I ask the minister whether, in the company proposal which has been accepted concerning the heavy water plant, it is correct that the province of Nova Scotia has undertaken financial commitments to the extent of approximately $25 to $30 million.

Mr. Drury: Mr. Speaker, the government of Nova Scotia directly has undertaken no commitments with respect to financial assistance. The approved contractor has made arrangements with crown corporations in the province of Nova Scotia in respect of both location and the provision of energy.

Mr. MacEwan: Is that Industrial Estates Limited?

Mr. Drury: Yes, Mr. Speaker.

Hon. D. S. Harkness (Calgary North): May I ask a supplementary question of the Minister of Industry. Could the minister inform us how much subsidy the dominion government will be paying per ton of coal which it is proposed will be used for this new heavy water plant?

Mr. Drury: The precise subsidy is not fixed. It will vary from year to year; indeed, it will vary from each period of review. But the equalization subsidy payable in relation to the production of power in the particular source of power concerned will be in the order of 91 cents per ton.

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, could the minister say whether the government of British Columbia or any crown corporation of the B.C. government made an offer similar to that made by Nova Scotia?

Mr. Drury: Not to the best of my knowledge.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question. Could I ask the minister what subsidy the government of Nova Scotia has promised with reference to coal being used in the production of energy for this project?

Mr. Drury: I have just said, I think, that the government of Nova Scotia is, to the best of my knowledge, providing no subsidy.

Mr. Harkness: A supplementary question to the Minister of Industry. Could he tell the house approximately how many tons of coal are required to produce one ton of heavy water? In other words, what will be the coal subsidy required to produce one ton of heavy water?

Mr. Speaker: That is a question for the order paper.

SHIPPING

TABLING OF DECISION RESPECTING COLLISION IN ST. LAWRENCE

On the orders of the day:

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, I beg to table the decision of the commissioner appointed under the Canada Shipping Act to investigate the collision between the vessel *Tritonica* and the vessel *Roonagh Head* on July 20 last.

Inquiries of the Ministry

NATIONAL ANTHEM

LEGISLATIVE PROVISION FOR ADOPTION OF "O CANADA"

Mr. S. Perry Ryan (Spadina) moved the first reading of Bill No. C-115, to provide for a Canadian national anthem.

Some hon. Members: Explain.

Mr. Ryan: Mr. Speaker, the purpose of this bill is to constitute "O Canada" the national anthem of Canada. It provides that the music shall be as originally composed and written by Calixa Lavallee and as subsequently arranged by Hon. R. Stanley Weir. It provides further that the words in French shall be the first verse and refrain of the Routhier version, and the words in English shall be the first verse and refrain of the Weir version.

Power is given to the governor general in council to add verses in either French or English for use on special occasions. I know all would prefer to see words of the same meaning in both languages, and when these are composed to the satisfaction of all, an amendment could then be made.

Motion agreed to and bill read the first time.

Mr. Speaker: When shall the said bill be read a second time? Next sitting of the house?

Some hon. Members: Now.

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, before you ask the house when this bill will receive second reading, may I point out that, in our opinion this bill is very important, and as many bills appear on the order paper for consideration during the hourly periods devoted to private member's business, I request the unanimous consent of the house so that this bill may be given priority at the next period devoted to consideration of private members' bills.

[*Text*]

Mr. Speaker: I regret that unanimous consent must be asked by the mover of the bill, and not by the hon. member.

Mr. Ryan: I would ask for such unanimous consent, Mr. Speaker.

Mr. Speaker: Does the house give unanimous consent?

Some hon. Members: No.

Some hon. Members: Yea.

Mr. Speaker: Questions.

Mr. Pigeon: Mr. Speaker, on the Liberal side we heard "No".

Mr. Speaker: Order, please. Questions.

[Mr. McIlraith.]

[*Translation*]

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

[*Text*]

Mr. Speaker: There is no point of order, and I regret to inform the hon. member we are now at the heading of questions.

[*Translation*]

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

[*Text*]

Mr. Speaker: What is your point of order?

[*Translation*]

Mr. Gregoire: Mr. Speaker, I rise on a point of order. From this corner of the house we cannot hear everything which is being said, and personally, I have not heard any "no".

I would ask the house to be quiet so that we may know whether the hon. member got the unanimous consent which he requested or whether there were some members who said no. We did not hear any.

[*Text*]

Mr. Speaker: I believe it is for the Chair to decide whether unanimous consent was given. In my opinion unanimous consent was not given. Consequently I moved on to the heading of questions. We are now at questions.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*SPECIAL VOTE FOR B.C. INDIANS

Question No. 1,277—**Mr. Howard:**

Since January 1, 1957, has any communication or letter been directed or sent to any Indian or Indian band or bands in British Columbia with respect to the so-called B.C. special vote of $100,000 for Indians in British Columbia suggesting or asking ways or means of dealing with the said B.C. special vote and, if so, what are the contents of any such communication or letter?

Mr. Munro: Yes. The minutes of the fourth meeting of the Indian advisory committee, B.C. special vote, held in January, 1962, contained a number of recommendations concerning the size of the committee, replacement of members and the administration of the vote. In accordance with established practice, copies of the minutes were distributed to each Indian band council and Indian superintendents were requested to obtain the opinion of the band councils on the various recommendations of the advisory committee. In most agencies the superintendent obtained the views of the band councils at council meetings. In others, a circular letter was sent to the chiefs requesting their views on the size of the committee and the replacing of one member each year. Band

officers were also informed that the superintendents would be pleased to discuss any questions relating to the administration of the vote.

GERALD M. TAYLOR, PARRY SOUND, ONT.

Question No. 1,510—**Mr. Aiken:**

Is Mr. Gerald M. Taylor of Parry Sound, Ontario, employed by the Post Office Department and, if not (a) does he have any authority to act for or on behalf of the department (b) has he made recommendations to the Postmaster General on postal matters?

Mr. Denis: Gerald M. Taylor of Parry Sound, Ontario, is not employed by the Post Office Department. (a) No. (b) Yes.

APPOINTMENT TO OSHAWA HARBOUR COMMISSION

Question No. 1,559—**Mr. Starr:**

1. Does the Minister of Transport intend to reappoint Mr. S. Jackson of the city of Oshawa as a member of the Oshawa harbour commission, in view of his excellent service to that commission as its chairman for the past three years and, if not, for what reason?
2. Has anyone else been appointed to fill the vacancy?
3. If someone else has been appointed, what is the number and date of the order in council authorizing such appointment?
4. If no appointment has yet been made (a) is it under consideration (b) when is it anticipated that it will be made (c) what are the names of any persons being considered (d) on whose recommendations to the government were such names submitted and (e) when were the names submitted?

Mr. McIlraith: 1. No. Mr. Jackson's term of office has expired.

2. Yes.

3. Order in council P.C. 1963-1570 dated October 24, 1963.

4. Not applicable.

TENDERS FOR MAIL SERVICE, ADVOCATE HARBOUR-PARRSBORO, N.S.

Question No. 1,607—**Mr. Coates:**

1. Who was the successful tenderer for the mail stage service between Advocate Harbour and Parrsboro, N.S.?
2. How many tenders were received, what were the names of the individuals tendering, and what were the amounts of the bids submitted?

Mr. Denis: 1. Mr. Ronald Edwin Lent of Advocate Harbour submitted the lowest tender. Following regular inquiry, if he is found to be personally suitable and is able to meet the other requirements of the service, the contract would be awarded to him in strict conformity with the terms of the Post Office Act.

2. Ronald Edwin Lent, Advocate Harbour, $2,490; Clarence W. Copp, Box 337, Parrsboro, $2,900; Purdy F. Davis, Advocate Harbour, $3,050; Girvan M. Field, Advocate Harbour, $3,120; Vernon I. Lunn, Advocate Harbour, $3,300; Foster E. Morris, Advocate Harbour, $3,400; James H. Dunbar, Spencer's Island, $4,300.

BAR LIGHTS, PICTOU LANDING, N.S.—DISCHARGE OF CARETAKER

Question No. 1,618—**Mr. MacEwan:**

1. Has Gordon Chisholm been replaced as caretaker of the Pictou bar lights at Pictou Landing, N.S., and, if so, why was he discharged, and who made the complaint, or complaints against him?
2. In what form were the complaints made?
3. Under what legal authority was this discharge effected?

Mr. McIlraith: 1. and 2. Yes, because of active political partisanship. When Mr. Chisholm was confronted with charges of active political partisanship he did not deny them.

3. As the compensation for his services was only $200 per annum, he was released under departmental authority.

AMALGAMATION OF POST OFFICES, N.B.

Question No. 1,631—**Mr. MacRae:**

1. On what date was a decision taken by the Postmaster General to investigate the advisability of amalgamating the post offices at Durham Centre and Jacquet River, Restigouche county, New Brunswick?
2. Was a letter sent to Mr. Douglas B. Pettigrew, Jacquet River, offering him the position of postmaster and, if so (a) on what date was the letter sent (b) on what date was it delivered?
3. If the letter was not delivered, has the Postmaster General instituted any investigation as to the causes of such non-delivery?

Mr. Denis: 1. August 30, 1963.

2. Yes, by the Moncton sub district office of the civil service commission. (a) August 16, 1963. (b) Mr. Pettigrew claims that he did not receive the letter.

3. See 2 (b) above. An investigation is being made.

WINTER MAINTENANCE COSTS, LAC MEGANTIC AIRPORT, QUE.

Question No. 1,671—**Mr. Latulippe:**

1. Has the Department of Transport received any request from the town of Lac Megantic concerning sharing winter maintenance costs of the town's municipal airport and, if so, what decision was taken and what will be the share of the federal government?
2. If no representations have yet been received, will the government give consideration to sharing such maintenance costs?

[*Translation*]

Mr. Cantin: 1. Yes, in a letter dated April 16, 1962.

2. The Department of Transport is not authorized to provide financial assistance for operation of municipal airports such as Megantic, as they serve primarily air traffic of a local nature.

[*Text*]

APPLICATIONS FOR MARKET GARDENING ASSISTANCE, COMPTON-FRONTENAC CONSTITUENCY

Question No. 1,684—**Mr. Latulippe:**

Did the federal government receive any applications of any kind for assistance to market gardening in the constituency of Compton-Frontenac during the past five years and, if so (a) from whom, and (b) from what source in the estimates were the amounts allocated (c) if no money was spent by the federal government, under which program could assistance be given?

Mr. Hays: (a) The Farm Credit Corporation reports that applications for loans are not recorded by type of enterprise; it is, therefore, impossible to determine whether any applications for loans for market gardening purposes were received during the past five years.

No formal applications for assistance to market gardening enterprises were received by the Department of Agriculture, although there have been a number of requests by individual farmers for technical information relating to market garden crops, and this has been given by officials of the experimental farm, Lennoxville, and the research laboratory, St. Jean. (b) No specific funds have been allocated for assistance to market gardening enterprises, but in connection with the supply of technical information funds are available within vote 25, research branch, Department of Agriculture. (c) Mortgage credit is available from the Farm Credit Corporation for market gardening enterprises.

WABUSH, NFLD., AIRPORT

Question No. 1,693—**Mr. Fisher:**

1. Is there an airport at Wabush, Newfoundland?
2. Have the Departments of Transport or Public Works any responsibility for this airport?
3. Is it paved or asphalted and, if so, to what extent?
4. Are there any plans to pave runways and, if so, what are they, in detail, regarding time and cost?

Mr. McIlraith: 1. Yes.

2. Not at present.

3. No.

4. Yes, subject to the completion of an appropriate agreement with Northern Airport Limited the owner and operator of the airport, it is intended to proceed during the fiscal year 1964-65 with the paving of the runway, taxi strip and aircraft parking area, at an estimated cost of $1000,000. It is expected that this work could be completed during the following year 1965-66.

CAPE BRETON HIGHLANDS PARK—EMPLOYEES

Question No. 1,701—**Mr. Muir (Cape Breton North and Victoria):**

1. Since April 8, 1963, how many employees from Victoria county have been hired and are still employed at the Cape Breton highlands national park?
2. How many have been hired and are still employed from each of the following areas: South Ingonish, North Ingonish, Neil's Harbour-New Haven, Dingwall-Cape North and Bay St. Lawrence?
3. How many of those hired and still employed served in the armed forces?
4. How many employees from Victoria county have been laid off since April 8, 1963?

Mr. Laing: 1. Forty eight.

2. South Ingonish, 35; North Ingonish, 6; Neil's Harbour-New Haven, 5; Dingwall-Cape North, 2; Bay St. Lawrence, 0.

3. Eleven.

4. Forty five, including 27 seasonal employees, 2 casual employees, and 16 employed on the tracking station clearing project, now completed.

*CARAVELLE AND DC-9 PLANES—PERCENTAGE OF CANADIAN CONSTRUCTION

Question No. 1,708—**Mr. Marcoux:**

1. Does the government have any information concerning the percentage of the construction and assembly of the Caravelle Super-B which could be carried out at Canadair for Trans-Canada Air Lines and, if so, what is the percentage, and the nature of materials and parts?
2. Does the government have any information concerning the percentage of the construction and assembly of DC-9's which could be carried out in Canada for Trans-Canada Air Lines, and, if so, what is the percentage, and the nature of materials and parts?

[*Translation*]

Mr. Cantin: 1. No.

2. Answered by Prime Minister's statement in the House of Commons on Friday, November 22.

[*Text*]

DUTIES OF CHIEF ARCHAEOLOGIST

Question No. 1,712—**Mr. Fisher:**

What are the specific duties of William E. Taylor as chief archaeologist?

Mr. Laing: 1. Plan and supervise the museum's program in archaeology, physical anthropology, paleo-chronology, and related matters carried out by staff members, and scientists on contract.

2. Perform archaeological field work each season, usually taking an expedition to Arctic Canada.

3. Write scientific and other reports for publication and supervise the preparation of such reports by staff and contract workers; plan the museum's publication program in the above named fields; select and edit material for publication.

4. Participate in planning the branch's activities as requested by the director.

5. Establish and maintain contracts, nationally and internationally, with scientific and cultural institutions, administrators, scientists, teachers and students concerned with Canadian prehistory, and northern Canada.

6. Supervise the care of a collection of over 300,000 specimens in archaeology and physical anthropology, the cataloguing of scientific specimens and collections, site location files, radiocarbon files, files of information on Canadian prehistory and general section files.

7. Direct a radiocarbon dating project on Canadian prehistoric materials on an international scale.

8. Perform associated and related duties as required.

UNION AGREEMENTS, ATOMIC ENERGY PLANT

Question No. 1,720—**Mr. Scott:**

1. How many collective bargaining agreements exist covering employees of the atomic energy plant at Chalk River, Ontario?
2. What are the names of the unions connected with each of the said collective bargaining agreements?
3. Which of the said agreements contain union security clauses to the effect that membership in a union is a condition of employment?
4. Which of the said agreements contain provisions for a compulsory check-off on all employees within the bargaining unit?

Answer: 1. Four.

2. (i) The following unions act through the atomic energy allied council, A.F.L.-C.I.O. and C.L.C. in concluding the collective agreement that applies to them: local 2466 of the united brotherhood of carpenters and joiners of America, local 742 of the international brotherhood of electrical workers, local 920 of the international union of operating engineers, lodge 1522 of the international association of machinists, local 560 of the united association of journeymen and apprentices of the plumbing and pipe fitting industry of the United States and Canada, local 989 of the international brotherhood of teamsters, chauffeurs, warehousemen and helpers, atomic research workers union, federal labour union 24291 of the C.L.C., local F.F.F. firefighters association of atomic energy of Canada limited, local 327 of the sheet metal workers international association, local 1788 of the brotherhood of painters, decorators and paperhangers of America, Chalk River nuclear process operators, local 1601 of the C.L.C., (ii) the Chalk River technicians and technologists local 1568 of the Canadian Labour Congress; (iii) the Chalk River atomic energy draftsmen local 1569 of the Canadian Labour Congress; (iv) local 404 office employees international union A.F.L.-C.I.O. and C.L.C.

3. None.

4. None.

Order for Return

*MOUNT REVELSTOKE PARK—RECONSTRUCTION OF ROAD

Question No. 1,722—**Mr. Herridge:**

1. What is the estimated total yardage of material to be moved in the reconstruction of the road to the summit of Mount Revelstoke park?
2. What is the estimated cost of this reconstruction?
3. When is it expected this work will be completed and the road reopened?

Mr. Laing: Mr. Speaker, the Department of Public Works is undertaking this project on behalf of the Department of Northern Affairs and National Resources. They advise that the answers are as follows:

1. While the preliminary field survey for reconstruction of the road has now been completed, the estimate of contract quantities will not be completed before February, 1964.

2. $700,000, preliminary estimate only.

3. September, 1965.

INCREASED REVENUE FROM SALES TAX

Question No. 1,744—**Mr. Coates:**

What was the total increase in revenue available to the federal government to October 31, 1963, as a result of the 4 per cent sales tax?

Mr. Garland: The net amount of federal sales tax collected at the rate of 4 per cent in the period June 14, 1963 to October 31, 1963, was $18,901,050.10.

QUESTION PASSED AS ORDER FOR RETURN

LOAN APPLICATIONS UNDER FARM IMPROVEMENT ACT, COMPTON-FRONTENAC CONSTITUENCY

Question No. 1,676—**Mr. Latulippe:**

1. With reference to the erection of farm buildings under the terms of the Farm Improvement Loans Act (a) how many applications were received from persons in the constituency of Compton-Frontenac during 1962 (b) how many were rejected (c) how many were granted (d) what were the amounts in each case?
2. With reference to the purchase of cattle under the terms of the same act (a) how many applications were received from persons in the constituency of Compton-Frontenac during 1962 (b) how many were rejected (c) how many were granted (d) what were the amounts in each case?
3. With reference to the purchase of farm implements under the terms of the same act (a) how many applications were received from persons in the constituency of Compton-Frontenac during 1962 (b) how many were rejected (c) how many were granted (d) what were the amounts in each case?
4. How many requests for loans for the purchase of farms were received from persons in the constituency of Compton-Frontenac during the past two years and of these (a) how many were rejected (b) how many were granted (c) what was the total amount?
5. What are the corresponding answers for the years 1955-60?

Return tabled.

Inquiries of the Ministry

TRADE

WHEAT—FINDING OF GLASS IN SHIPMENTS TO RUSSIA

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I do not know whether I should direct this question to the Minister of Trade and Commerce, the Minister of Transport or the Minister of Justice. It has to do with the question of glass having been found in shipments of Canadian wheat to the U.S.S.R. I realize the difficulties in any investigation that might be undertaken in this connection, but I would like to know what investigation has been undertaken. Also, is there any basis in fact for the allegation of the presence of glass, and as of this moment is there anything to indicate its source, if glass was found in the shipments?

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, I think I could best answer the question by making a statement giving all the facts I have up to this time. I think that would best meet the requirements at the moment.

As is generally known, the board of grain commissioners takes extensive steps to ensure and maintain the high quality and reputation of Canadian grain. There have, however, been isolated cases of foreign material, including glass and bottles, being found in export grain cargoes. Where they have occurred, it would appear that the foreign material enters the cargo after it leaves the elevator. The first such report over a long period occurred this summer on two small cargoes out of Montreal, not to the Soviet union or to a communist country.

Commercial firms are, of course, involved in the handling of grain once it has received the final certificate from the board of grain commissioners and left the elevator. On the occasion referred to this summer the national harbours board called a meeting of shipping, stevedoring and elevator companies and urged the adoption of measures to avoid any recurrences.

The chief inspector of the board of grain commissioners visited the Soviet union recently in connection with the recent large sale of wheat to that country. While there he was informed that glass and whole bottles had been found in some of the cargoes. This was confirmed on November 28 by representations from the representative in Winnipeg of V-O Exportkhlev, the U.S.S.R. grain trading organization. Following the return of the chief inspector a meeting was held on November 28—that is, the same day—of interested parties. As a preliminary step, notices have been sent to shipping and stevedoring companies, union officials, vessel masters, gang foremen and union members to avoid the use of bottles in or near grain holds.

The quality and reliability of Canadian grain is renowned throughout the world. It is very rare that complaints are received about our shipments. I wish to assure the right hon. Leader of the Opposition and the house generally that the government is looking into this matter thoroughly and carefully and is considering what action can be taken to avoid the recurrence of these incidents.

Mr. Diefenbaker: A supplementary question, Mr. Speaker. First I would thank the hon. minister for his very full and comprehensive report. Is he in a position to advise the house how many cargoes to the U.S.S.R. were found to contain glass and the like?

Mr. McIlraith: I am sorry, Mr. Speaker, but I do not have that information. I will try to get it. I should indicate at once that a relatively small part of the shipments was involved.

Mr. W. H. Jorgenson (Provencher): May I ask a further supplementary question, Mr. Speaker. I wonder whether the minister, while he is investigating this matter, would find out how much of the total shipment of grain will be lost, and what will be his ultimate decision in this regard. In addition, I wonder if he would advise the house whether this grain is covered by any form of insurance and who will sustain the loss in connection with it.

Mr. McIlraith: Mr. Speaker, I will take that question as notice and try to get the information.

Hon. D. S. Harkness (Calgary North): Mr. Speaker, I have a supplementary question. I wonder whether the minister could tell us who has the over-all responsibility for carrying on this investigation. Is it his department, the Department of Agriculture, or what department does this come under?

Mr. McIlraith: Five authorities are most immediately involved. There is the board of grain commissioners, of course, which is primarily concerned with the quality of the wheat that is exported; there is the national harbours board, which has jurisdiction over some of the harbours from which shipments are made; there is the Department of Transport, under whose jurisdiction some of the other harbours come; and there is the Department of Agriculture which is interested in this matter. Then, of course, there would be the police, if called in.

Mr. Harkness: I have a further supplementary question. Is there any over-all authority

to co-ordinate the activities of these various departments and agencies in this investigation?

Mr. McIlraith: The authorities have been meeting together and are now co-ordinated quite well in fact. I do not know just what further authority you could grant to them. They are working as a co-ordinated group now.

PENSIONS

BLIND AND DISABLED PAYMENTS—REQUEST THAT INCREASE BE RETROACTIVE

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address a question to the right hon. Prime Minister. In view of the understanding that a decision has now been reached to increase the pension to disabled and blind persons, can he tell us whether this increase will be made retroactive to October 1, which was the date upon which the increase in the old age pension was effective?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker. The date upon which this legislation will come into effect, if parliament approves it, is under consideration.

[*Later:*]

On the orders of the day:

[*Translation*]

Mr. Gerard Laprise (Chapleau): Mr. Speaker, I should like to direct a question to the Minister of Finance. Following the statement made by the Prime Minister to the effect that allowances to the blind and the disabled and old-age assistance will be increased, could the minister tell the house if this plan will involve a personal income tax increase.

[*Text*]

Hon. Walter L. Gordon (Minister of Finance): No, Mr. Speaker.

OLD AGE ASSISTANCE, BLIND AND DISABLED PAYMENTS—REQUEST FOR ANNOUNCEMENT

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Prime Minister. How soon will the government be able to make some announcement regarding the increase in the old age assistance pension, the blind pension and the disabled persons allowance? Is that dependent on further communications with the provinces or can the government make a statement fairly soon?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, some further communications will be required with the provinces, because the ultimate result will depend on action by the provincial governments as well as the federal government. But we hope to make this announcement without any delay.

Mr. Douglas: A supplementary question. I am sure there must have been some discussions as to an effective date. What is the effective date which is being aimed at by the federal and provincial authorities?

Mr. Pearson: There were discussions about an effective date, but the provinces differed with regard to that matter. That must be ironed out before a statement can be made.

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): A supplementary question. Is it the intention of the government to increase taxes, as they have in the past?

Hon. J. W. Monteith (Perth): May I ask a supplementary question. Is it not possible for the government simply to bring in legislation to make it permissive for the provinces to participate?

Mr. Pearson: Yes, that is possible and we have, of course, discussed that. But there are still one or two matters we should like to iron out with the provinces. There will be no avoidable delay in connection with this, I can assure the hon. gentleman.

DOMINION-PROVINCIAL CONFERENCE

REPORTED CHANGES IN EQUALIZATION PAYMENTS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): May I ask the Prime Minister if he proposes in the near future to give to the house some explanation why the government has presented an equalization formula to the provinces which is at variance with the pledge of the Liberal party to introduce an equalization formula to bring all the provinces up to the level of the wealthiest province on a per capita basis, related to income taxes and succession duties.

Right Hon. L. B. Pearson (Prime Minister): Well, Mr. Speaker, I hope to make a statement on the conference at the earliest possible opportunity. If the interim supply debate should continue, this would be an opportunity. If the interim supply bill goes through, then I would do it on my estimates, which should be under discussion in a few days.

[*Later:*]

On the orders of the day:

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, my question is directed to the right hon. Prime Minister. Since he mentioned a while ago that if the interim supply debate

were to go on this afternoon he would make a statement on the federal-provincial conference and since we do intend to discuss that federal-provincial conference today, would the Prime Minister be ready to make his statement on the conference at the very beginning of that debate?

[*Text*]

Mr. Pearson: We had rather hoped that interim supply could go through without too much delay. We want to get away for Christmas. If the debate is going on, as my hon. friend suggests it is going on, and that subject is going to be discussed, perhaps it would be just as well if I spoke first.

PARTICIPATION BY MINISTER IN DISCUSSION OF PENSION PLAN

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to ask the Prime Minister whether he could indicate what substance there is to reports that the Prime Minister took the role of spokesman for the government in discussions with the provincial premiers about the Canada pension plan because the federal minister responsible was unacceptable to some of the premiers.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, there just does not happen to be any basis in fact for that statement. I did preside over the plenary session which dealt with this matter, and I had the minister concerned sitting beside me. When we went into committee and discussed health and welfare matters, the Minister of National Health and Welfare presided over the committee.

Mr. Peters: That means they didn't get anywhere.

TRANS-CANADA AIR LINES

REQUEST FOR STATEMENT ON ACCIDENT AT LONDON, ENGLAND

On the orders of the day:

Mr. R. N. Thompson (Red Deer): I should like to direct a question to the Minister of Transport. Can the minister give the house any word on the findings relative to the DC-8F which crashed in London some three weeks ago?

Hon. G. J. McIlraith (Minister of Transport): I should point out that there was no crash of an aircraft in London. The incident to which the hon. member is referring is a case where the pilot did not take off. However, I will try to get whatever information is available and provide it to the house.

Mr. Thompson: May I ask a supplementary question, Mr. Speaker. I am not going to engage in an argument about whether there was or was not a crash, but certainly a DC-8F was in serious trouble in London three weeks ago. Is there any intention at the present time of grounding the DC-8F, in view of the fact that this is the second one that has been involved in an accident and T.C.A. has several more of this type on order?

Mr. McIlraith: What I was seeking to explain was that the incident in London was not in any way related to the kind of crash where an aircraft has been in difficulties in the air. It was a matter of the pilot deciding not to take the aircraft off the ground.

Hon. Leon Balcer (Three Rivers): I wonder if the minister could tell us if there was an inquiry into this accident.

Mr. McIlraith: Yes, but I should like to take the question as notice and get full information so that I can give a comprehensive answer.

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a supplementary question to the Minister of Transport. Since a DC-8F, built in the United States crashed at St. Therese de Blainville, is it the intention of the government to cancel the purchase of the DC-9 which is not yet operational, in favour of the Caravelle, which has been proven?

[*Text*]

Mr. McIlraith: No, Mr. Speaker.

REQUEST FOR EMPLOYMENT OF BILINGUAL PERSONNEL

On the orders of the day:

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I wish to direct a question to the Minister of Transport. Would the minister add the name of his own parliamentary secretary, the hon. member for Quebec South (Mr. Cantin), to the list of those who found out by experience that T.C.A. flights between Montreal and Ottawa seldom have personnel qualified to serve bilingual passengers?

[*Text*]

Hon. G. J. McIlraith (Minister of Transport): The assertion made by the hon. member in the latter part of his so-called question is altogether contrary to the facts.

[*Translation*]

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

What I have just said is not contrary to the facts, since the parliamentary secretary

to the Minister of Transport was sitting next to me, at noon, in the plane, and that he was in a position to find out for himself.

[*Text*]

Mr. Speaker: Order, please. This is in the nature of a complaint and not a question of privilege.

NATIONAL DEFENCE

NATO—DISCUSSIONS RESPECTING MULTILATERAL NUCLEAR FORCE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to direct a question to either the Prime Minister or the Secretary of State for External Affairs which arises out of a statement made by President Johnson that the United States intends to pursue its desire for the achievement of a multinational mixed nuclear force. Have there been any representations to this effect made lately by the administration of the United States? Has there been any change in the viewpoint of the government of Canada, and would the Prime Minister or the minister say whether there is any intention on the part of Canada of participating in such a force?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, there have been no representations made by the United States to the government on this matter recently, and the position of the government remains as stated in this house, that we would not participate in this kind of collective force. Indeed, we did not take part in the recent NATO discussions about it.

Mr. Diefenbaker: I thank the Prime Minister for that answer. Were there any other nations within NATO that took the position of Canada, not to take any part in the discussions in NATO in that connection?

Mr. Pearson: Yes, Mr. Speaker. I speak subject to correction, but I think three or four NATO members took the same position as Canada.

REPORTED STATEMENT BY MEMBER FOR HALIFAX

On the orders of the day:

Mr. Robert C. Coates (Cumberland): Mr. Speaker, I have a question for the Minister of National Defence. Was the hon. member for Halifax expounding government policy when he stated in Halifax over the week end that "Needed were single purpose ships whose sole duties were in sub. killing", or was he providing an excuse for the government's cancellation of the frigate program?

Hon. Paul Hellyer (Minister of National Defence): I have not even seen the report, Mr. Speaker.

EXTERNAL AFFAIRS

INQUIRY AS TO MEETING WITH U.S. PRESIDENT

On the orders of the day:

Hon. Paul Martineau (Pontiac-Temiscamingue): Has the Prime Minister any plans for meeting with President Johnson in the near future?

Right Hon. L. B. Pearson (Prime Minister): This matter came up in the short discussion I had with President Johnson and we agreed that we should have a meeting as soon as it can be arranged, but no details have been worked out.

BUSINESS OF THE HOUSE

INQUIRY AS TO COMMENCEMENT OF NEXT SESSION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): The Prime Minister has referred to getting away by Christmas. Has any consideration yet been given by the government as to when the next session will commence? I ask that because naturally members, having been here for many months, are anxious to have some idea as to when the next session might commence so they can make their plans for a holiday.

Right Hon. L. B. Pearson (Prime Minister): When the next session begins will depend, of course, on when this one ends. Supplementary to that brilliant observation, I would say that all parties would want an adequate recess and that would be, I suggest, three or four weeks. It might be helpful if the representatives of the parties could get together very shortly and discuss the possibility of an ending date and a beginning date.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question. Can I ask the Prime Minister whether he has changed in any way the outline of business which he set forth as the program which would have to be dealt with at this session?

Mr. Pearson: Not in any material way, Mr. Speaker, but there are one or two matters which should not be too controversial which will have to be added to the list which I gave to the house some weeks ago. Perhaps after we have had the kind of discussion I have just mentioned I could make a further statement in the house.

Inquiries of the Ministry

LEGISLATION TO ESTABLISH INDIAN CLAIMS COMMISSION

On the orders of the day:

Mr. Frank Howard (Skeena): May I ask the Minister of Citizenship and Immigration whether he can state with more precision, now, just when either the resolution or the bill relating to the Indian claims commission will be introduced in the house?

Hon. Guy Favreau (Minister of Citizenship and Immigration): As I have said earlier, it will be introduced before the end of the present session.

INDIAN AFFAIRS

APPOINTMENT OF COMMITTEE TO STUDY PROBLEMS OF INTEGRATION

On the orders of the day:

Mr. Arnold Webster (Vancouver-Kingsway): Mr. Speaker, I have a question for the Minister of Citizenship and Immigration. Is it true that Professor Harry Hawthorne, of the University of British Columbia, has been appointed to conduct a study across Canada into the problem of how to encourage our native Indian population to integrate more quickly into Canadian society?

Hon. Guy Favreau (Minister of Citizenship and Immigration): Mr. Speaker, I want to thank the hon. member for having given me ample notice of his question, which I shall now answer in French.

[*Translation*]

It gives me pleasure to inform the hon. member and the house that we have undertaken a three-year research program to determine to what extent the Indians in all parts of Canada share in the social and economic life of our country.

This survey is designed to provide comprehensive data from which to draw basic principles for the setting up of the policy and general program we shall have to follow in future if we wish to promote the welfare and progress of the Indian population of Canada.

Mr. H. B. Hawthorne, of the University of British Columbia, and Mr. Adelard Tremblay, of Laval University, have undertaken, as director and assistant director, the carrying out of this extensive research project.

Specialists and research assistants attached to Canadian universities and research centres will be charged with various sections of the programs as required. The research work will apply to four important aspects of the Indian question: economic development, promotion of education, present-day responsibilities at various government levels, band councils and progress toward administrative autonomy.

[*Text*]

BRITISH COLUMBIA—INQUIRY AS TO ESTABLISHMENT OF LIAISON COMMITTEE

On the orders of the day:

Hon. Guy Favreau (Minister of Citizenship and Immigration): Before I resume my seat—which is an unparliamentary way of saying "while I am on my feet"—may I answer a question put to me last week by the hon. member for Skeena as to whether or not the government made a commitment to one H. Castilou of British Columbia to the effect that there would be an Indian liaison committee appointed consisting of parliamentarians and advisers for the purpose of making annual visits to various Indian villages in British Columbia.

I must tell the hon. member that though the purpose might be laudable, for the moment, the answer is no.

LOTTERIES

INQUIRY AS TO AMENDMENT OF CRIMINAL CODE

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 Justice. Could the minister tell the house whether, following the federal-provincial conference, the Criminal Code will be amended so that provinces which so desire may set up lotteries?

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, this is the third time since the opening of the conference that this question is asked. All I can say is that the government will take into consideration the representations which were made.

Mr. Pigeon: A supplementary question, Mr. Speaker. So, contrary to what was reported in the press, no decision has been taken?

Mr. Chevrier: Absolutely no, Mr. Speaker.

[*Text*]

DEFENCE PRODUCTION

REQUEST THAT CONVERSION OF DESTROYER ESCORTS BE DONE IN B.C.

On the orders of the day:

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, I have a question for the Minister of Defence Production. In view of the grave concern of B.C. shipyards, which will now be aggravated by the statement made by the minister on motions, would the minister say whether the conversion of the two remaining St. Laurent class destroyer escorts will be carried out by B.C. shipyards?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, that matter is currently under examination.

SUGAR

REPORTED SALE OF U.S. BEET SUGAR IN KENT CONSTITUENCY

On the orders of the day:

Mr. H. W. Danforth (Kent, Ont.): I wish to direct a question to the Minister of Trade and Commerce or, in his absence, to the acting minister. In view of the fact that Pioneer Brand beet sugar refined in the United States is being offered for sale this week in the constituency of Kent, which is the centre of beet sugar production in Ontario, can the minister assure the house that his department is investigating only the question of supplies of raw sugar from abroad, not supplies of refined sugar subsidized by foreign governments in direct competition with our own producers and workers in our own refineries?

Mr. Jean-Luc Pepin (Parliamentary Secretary to Minister of Trade and Commerce): I will take the question as notice.

VETERANS AFFAIRS

REQUEST FOR REPORT ON EXPENDITURES RESPECTING PRISONERS OF WAR

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct a question to the Minister of Veterans Affairs. Has the minister received a request from the Hong Kong veterans association urging him to use his influence to get the government to give a detailed report of the expenditures of persons who suffered in Hong Kong and other prison camps owing to action in the last war?

Hon. Roger Teillet (Minister of Veterans Affairs): Yes, I have received such a request.

Mr. Herridge: What is the minister doing about this request now that it has been received?

Mr. Teillet: I am taking it under consideration and making a study of it at the moment.

INQUIRY OF THE MINISTRY

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, my final question is directed to the Minister of Justice. Has the minister read the articles by Marcel Gingras in *La Presse*, with respect to the portraits of ministers, including his?

[*Text*]

SUPPLY

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

INTERIM SUPPLY

Resolved, that a sum not exceeding $377,400,841.02, being the aggregate of—

(a) one-twelfth of the total of the amounts of the items set forth in the main estimates for the fiscal year ending March 31, 1964, laid before the House of Commons at the present session of parliament, except agriculture item 100, atomic energy item 5, external affairs items 78 and 107, fisheries item 45, mines and technical surveys items 45 and 80, northern affairs and national resources items 5 and 10, public works items 20 and 190, transport item 35 and loans, investments and advances item L20 for which no amount is being released, $318,822,963.00;

(b) an additional two-twelfths of external affairs item 105 and finance item 45, $4,700,000.00;

(c) an additional one-twelfth of mines and technical surveys item 140, national film board item 1, northern affairs and national resources item 80, post office items 5, 10 and 15, public works items 150 and 165, transport items 40 and 220, loans, investments and advances item L70, $21,342,422.50;

(d) one-twelfth of the total of the amounts of the items set forth in the supplementary estimates (A), for the fiscal year ending March 31, 1964, laid before the House of Commons at the present session of parliament, except external affairs items 96a and 117a, finance item 5a, northern affairs and national resources item 110a, and loans, investments and advances items L13a and L63a for which no amount is being released $24,023,455.00;

(e) an additional one-twelfth of finance item 45a, $83,333.34;

(f) one-twelfth of the amount of the item set forth in the supplementary estimates (B) for the fiscal year ending March 31, 1964, laid before the House of Commons at the present session of parliament, $583,333.34;

(g) one-twelfth of the amount of item set forth in the supplementary estimates (C) for the fiscal year ending March 31, 1964, laid before the House of Commons at the present session of parliament, $1,666,666.67;

(h) one-twelfth of the amounts of the items set forth in the supplementary estimates (D) for the fiscal year ending March 31, 1964, laid before the House of Commons at the present session of parliament, except external affairs item 117d for which no amount is being released, $6,178,667.17;

be granted to Her Majesty on account of the fiscal year ending March 31, 1964.

Mr. Nielsen: When I resumed my seat on Friday I was speaking about the activities of the Post Office Department. Before continuing to do so I wonder whether I might draw the attention of the Minister of Justice, while he is in his place, to the situation which exists in the Yukon and the Northwest Territories with respect to the Judges Act.

As the minister knows, there are in the north two magistrates, one in each territory, known as police magistrates. Their jurisdiction is in practically all respects comparable with the jurisdiction of county court judges. The amendments to the Judges Act passed this session, by oversight I believe, omitted any mention of an increase in salary for the

police magistrates of the Yukon and the Northwest Territories. The county court judges across the country had their salaries raised. I placed a question on the order paper, and I obtained a copy of the recent order in council appointing a magistrate, for the Yukon, and I noticed that the salaries paid in the north are still $10,000 per annum.

I recommend most strongly to the minister that he consider this matter with a view to raising the salaries of these two justice officials in the two northern territories so they might be on the same level as county court judges across the country.

Let me return now to the department of the Postmaster General and the conduct of that department, particularly in the Yukon. The minister will see, if he examines his files, that since 1958, when I first came to this house, I have advocated a policy of the calling of public tenders for every contract for the carriage of mail, whether by ground or by air or any other means. Mr. Pageau, who was then director of the transportation division of the department, will concur in that. I am sorry to see that the department is now departing from this fair course of action.

Mr. Denis: On a question of privilege.

[*Translation*]

Mr. Chairman, the hon. member for Yukon (Mr. Nielsen) claims that I am departing from the policy of calling tenders. I should like him to state names so that an investigation may be undertaken to prove whether he is right or wrong.

[*Text*]

Mr. Nielsen: I will be pleased to do that. As a matter of fact I was about to do that on Friday when I had to resume my seat. The particular post office where public tenders have not been called is a newly established one at Ross River. I understand that the procedure followed by the department was for certain selected companies to be asked to tender for the carriage of mail to that post office from Whitehorse. In fact only one company was invited to tender, a company in Whitehorse. The department subsequently received a further offer from a company in Teslin in the Yukon, and this was rejected for reasons which I am forced to agree, because of the size of the post office and other considerations, are acceptable. But there is more than one company in Whitehorse and in the Yukon capable of carrying mail by air to that post office.

In the past public tenders have been called and advertisements have been placed not only in newspapers but in post offices throughout the territory. To return to the policy of selecting certain favoured individuals or companies and saying "would you like this job" is not my idea of giving a fair opportunity to every Canadian interested in supplying a public service.

I have given only one instance. I am sure if the minister would check he would find that what I have told him is accurate. Whatever the minister does in any other constituencies in Canada because of pressures brought by his own backbenchers and in his party's caucus, we in the Yukon want to be fair minded about these contracts. I think even the supporters of his own party have gone on record as saying that they want to get back to the system where everybody has an opportunity to tender on contracts for public goods and services. From a personal point of view I think the situation should be the same all across the country.

Certainly situations should not be allowed to exist such as that which existed in the riding of the hon. member for Hastings-Frontenac, where the postmistress at Enterprise was thrown out of work peremptorily and arbitrarily despite the fact that she was a veteran.

[*Translation*]

Mr. Denis: Mr. Chairman, I rise on a question of privilege. I deny categorically that, arbitrarily and against the law, I dismissed the postmistress the hon. member for Yukon (Mr. Nielsen) is talking about.

First of all, she was not postmistress, except temporarily until someone was appointed on a permanent basis. When five, six or eight people apply to be appointed postmaster, the Postmaster General must choose one of them. Therefore, I say to the hon. member that this procedure is far from being arbitrary and that everything was done according to the regulations of the Post Office Department.

Mr. Speaker: Order. I think that is rather an argument and that there is no question of privilege. I ask the hon. member for Yukon to proceed.

[*Text*]

Mr. Nielsen: Certainly I am bound to accept the minister's explanation of this matter. I can only go by what I read in press reports, and the press reports are quite firm in stating that this veteran of the last war, who has five children, did not even know she was fired; and despite the fact that a petition was signed by over two thirds of the people in the village of Enterprise, the minister went ahead with the decision to dismiss this veteran. Not only that, but he did it in

a very questionable fashion, because a certain date had been set for moving the post office itself and 24 hours before this well published date the post office was moved.

[*Translation*]

Mr. Denis: Mr. Speaker, again I rise on a question of privilege. The Post Office Department is accused of having transferred that post office to a new postmaster without notice. Well, in that connection, I want to put on the record that Mrs. Stewart herself wrote us as follows:

[*Text*]

Re transfer of Enterprise office. Would you kindly arrange to have the transfer done on Friday the 29th—

That is what we did according to the request of Mrs. Stewart.

The Chairman: Order. I wonder whether we are not getting into an argument now. As I suggested a moment ago, this is argumentation, and perhaps the minister might have the opportunity later to reply to the representations made by the hon. member for Yukon.

Mr. Nielsen: Mr. Chairman, I am just dealing with the general trend that seems to be developing in the government of returning to the very evil system of patronage which we seemed to be so singularly successful in keeping out of the activities of the government when we were in power.

I can mention other departments. In the last year the Department of Mines and Technical Surveys had $250,000 worth of helicopter contracts in the Yukon alone which were allotted by selection. No tenders were called on those contracts, whereas under the system in the past—

Mr. Pickersgill: Autair.

Mr. Nielsen: I could not care less whether they are air contracts or contracts for other kinds of goods and services. The basic principle is that every Canadian who is a taxpayer should have the opportunity to bid on such contracts. I think that is a basically fair principle to hold to. It does not make any difference whether or not they are air contracts. It seems to me this is a practice that the government could well consider getting back to.

The Haines road operation, which comes under the Minister of Northern Affairs and National Resources, also comes in for a little criticism. Here is a Canadian road that the government has very laudably decided to keep open on an experimental basis for one year. It is being maintained on an all-weather basis. Yet I rather strongly suspect that the road is being maintained by United States equipment and with United States labour.

To me this is an untenable state of affairs. We have unemployed workmen in the Yukon Territory who are capable of doing the work, and we have Canadian equipment there which could very well be used on this job. All I have to go on now is suspicion, but I certainly do have the suspicion that this is not being done.

I have asked the Minister of Northern Affairs and National Resources several times whether the negotiations have been completed yet between the governments of the United States and Canada in so far as the maintenance of the road is concerned. All I have had by way of answers from the minister and other cabinet ministers are evasions and concealment. As a matter of fact, when answering all these questions the cabinet ministers seem to have a noted talent for concealing the truth.

The Chairman: Order. I regret that I must interrupt the hon. member, but his time has expired.

Some hon. Members: Continue.

Mr. Nielsen: Mr. Chairman, I will resume my seat, but as I did not want to take the time on the orders of the day I should now like to make one or two corrections in my remarks of last Friday.

The Chairman: Is that agreed?

Some hon. Members: No.

Some hon. Members: Yes.

Mr. Nielsen: The remarks I refer to are found on page 5272 of *Hansard*. At the bottom of the left hand column I am reported as having said "90 per cent of Canada's gold". That should read "90 per cent of Canada's placer gold". I said something else which I think the reporter missed. I said "The Yukon and this industry have contributed hundreds of millions of dollars to the national treasury". At the top of the right hand column on the same page it should read "territorial government" rather than "territory government", and it should be "is not" rather than "is". On page 5273 halfway down the left hand column the words "in the city" should read "at the air field".

Mr. Chevrier: Mr. Chairman, I did not want to interrupt the hon. gentleman a moment ago when he referred to the increase in salaries of the county court judges and compared them with those of the magistrates in the Northwest Territories. I should like to tell him that a recommendation for the increase in the salaries of magistrates in the

Northwest Territories went forward some weeks ago, and it is a substantial one.

Mr. Nielsen: I am very happy to hear that.

Mr. Pearson: Mr. Chairman, I do not wish on this occasion to follow my hon. friend, who has just spoken, into the realms of postal affairs. I accept the purity of his protestations on these matters as I recall our own protestations on similar matters when we used to sit on the other side. Today, Mr. Chairman, I want to discuss the recent federal-provincial conference which has already entered into this debate and which I have been assured would continue on that subject whether or not I spoke this afternoon.

Perhaps it is just as well if I put on the record my view of what happened at the conference, its value, its results and what I consider to be its considerable achievements. The conference met in a spirit of friendliness and mutual good will as one would expect in a conference attended by the leaders of the governments of Canada, ministers of Canadian cabinets and officials of Canadian governments, provincial and federal.

It is quite true that the provincial leaders defended very vigorously, as it was their duty to do, the interests of their provinces, just as the federal representatives spoke for the policies and the interests of the federal government. But it is also true that at this conference, as at previous conferences, we all spoke and, I hope, acted as Canadians, and that in a way, an intangible way which cannot be measured, because these things can never be measured, we spoke with recognition of mutual interests, difficulties and problems, with a recognition of the things we had in common, a recognition of the problems we had in common, and I think this conference brought the provincial and federal governments closer together. In that sense the result was a good one.

The procedure at the conference was that which is often followed at conferences of this kind. We had plenary sessions and we broke up into committees. The committees reported back on the last day of the conference, and on that last day we agreed on a communique to the press. There was one innovation, at least in my memory of these conferences it was an innovation, that instead of making longish opening statements at the first meeting, these statements were prepared and circulated in advance, so that when the conference met it had been possible for all the delegates to it to become aware of the position of all the other delegations, and this was the basis for discussion from the very beginning.

Through me the federal government circulated a statement, that has been made public, and tabled, on the federal position with regard to many of these matters. Perhaps, Mr. Chairman, it would not be inappropriate for me to put on *Hansard* two or three paragraphs from this statement which had a specific bearing on certain general matters, general problems and general principles which we had to face at the conference. Among other things, I said this:

> In many areas, the federal and provincial governments are responsible for parallel action within their respective jurisdictions. Each must operate in its own sphere of jurisdiction, and respect the other's sphere. That is essential to both the letter and the spirit of our constitution. But it is equally essential that, in discharging the modern responsibilities of government, our parallel action should also be, in an important measure, concerted action. And concerted action means that there should be consultation and co-operation. Such consultation and co-operation can be effective only if they are mutual, working in both directions.

I went on:

> This is essentially what I have had in mind when speaking about the need for a "co-operative federalism". This new approach means several things. It means, first a mutual respect for the jurisdictions and the responsibilities of Canada and of the provinces. It means, second, timely and reliable two-way consultation as the basis for co-ordinating the parallel action which Canada and the provinces must take on matters of common and overlapping interest. Third, it means that if and when certain tax fields are shared, this should be done in a manner appropriate to the respective responsibilities of federal and provincial authorities. And it means, fourth, assurance that this sharing not only is equitable between the federal government and the provinces generally, but also is equitable among the provinces themselves, so that each separately can discharge its own responsibilities.

Then later on in my statement on this same general point I had this to say:

> A healthy and co-operative federalism requires strength in the provinces; it also requires a strong and healthy government for Canada as a whole, in whose parliament the people of each province have their representatives. Each government must not only have the powers required to discharge the responsibilities entrusted to it but also be in a position to exercise those powers.

There is one final paragraph which I might be permitted to quote:

> We are rightly conscious of our differing responsibilities, jurisdictions and powers in government. But we all recognize that we have a common purpose to advance the interests and welfare of the Canadian people. That purpose transcends separate interests without in any way diminishing them, because those interests are contained within it, and because they all contribute to the fabric of a Canada that is more than the sum of its parts.

As I say, Mr. Chairman, there was an opportunity for the delegates to study each other's opening statements, and so when the conference began we proceeded at once to the consideration of the agenda before us. The items on that agenda which commanded most attention and took up most time were those concerned with fiscal and economic

questions generally. At the opening of the first meeting to deal with these questions specifically, again on behalf of the federal government, I put the federal position on the record. This was a closed session, but I think it is not inappropriate if I repeat what that position is, as stated then, because it has a bearing on what I wish to say subsequently.

I mentioned that special emphasis was placed in the briefs of the provinces, and in my view rightly placed, on the provinces' responsibility for our human resources, for our investment in people, and as the most important phase of that, investment for education in all its aspects. That is a responsibility which we as a nation can discharge only by devoting to it increasing resources to match the increasing needs of these kinds. I mentioned that provincial expenditures on education had increased, were increasing and ought to go on increasing, and that this was described in most of the provincial briefs as a priority, indeed in some as a first priority need; on that basis of priority, and indeed on other grounds, that the provinces had made a strong plea for increasing the provincial share of tax revenues in Canada.

They gave, as it had been expected that they would give, priority to education in the whole context of Canadian governmental activities, federal and provincial. They gave priority to education and to the increasing costs of education, and they claimed as a first priority the need to increase the provincial share of the total tax revenues in the country, primarily though not exclusively, to take care of this priority.

That was the view which, as I have just said, and as I admitted to the conference, would come naturally to the provincial governments. It did not perhaps come quite so naturally to the federal government, which had other important responsibilities to consider and which had, in its turn, to remain strong financially and economically, and strong in other ways in order to discharge its responsibilities. Nevertheless we on the federal side made it clear that we shared the view of the provinces as to the high priority that ought to be attached, in the interests of Canada as a whole, to educational improvement, and we appreciated the financial implications of such priority.

I went on to say—as I have already indicated this afternoon—that it was right and proper in our view that at this conference each government should defend its own interests. But then I added this, and it was really a repetition of what I had said in the statement which was circulated before the conference:

> **But it is also proper that each of us has, above all a lively sense of the interests of the Canadian people, which are the first loyalty of us all. For that reason, we do not in these matters argue against you in principle, though we may not accept all your arguments or even your evidence supporting it. We know that your financial needs are increasing—and you know that ours are not decreasing.**

So while we might agree, and did agree in principle at this conference, that the provinces needed more resources to meet increasing provincial responsibilities, there was one point, a point of fact, which some of the provincial briefs passed over rather lightly, I thought, but with regard to which we on the federal side were compelled to be very conscious. This was that we were living under a fiscal arrangement which already recognizes increasing provincial responsibilities; that the abatement of federal taxes on personal income in favour of the provinces, by arrangements made previously, was increasing year by year under that legislation. In short, Mr. Chairman, on this matter—and I will be coming back to it again—the question before this conference was not one of principle but of degree of priority and degree of assistance.

It was a question, not of the direction in which we should be travelling both provincially and federally, but of the pace at which it was practicable, or even possible, to move. That question of pace and priority involved fundamental questions about the shape of our tax system in Canada, questions which go deeper and beyond—as was pointed out by more than one representative at the conference—the problem immediately before us, of reallocation. These are questions that go right to the heart of our tax structure and our federal system, questions which are at present under examination by a number of expert commissions both at the federal and provincial level.

Therefore I proposed—and the proposal was made by others, notably, if I may say so, the premier of Alberta who has attended, I think, every federal-provincial conference since 1940—that we take a hard look at this whole question of federal-provincial relations in the tax field. We realized that we could not come up with a final answer to that problem in a conference which lasted only four or five days. It was obviously impossible, as we all agreed at the conference at this first meeting—and it was a first meeting—to rewrite in any fundamental way the fiscal arrangements under which we are now operating.

We had to look at joint programs, of course, because these, among other things, were and remain closely related to fiscal relationships. I made plain in this opening statement, as I had made plain earlier before the conference was called, the federal government's willingness to withdraw from some of these programs, on an agreed basis, if the provinces

so wished. In mentioning that fact I went on to say we would have to re-examine tax sharing, not only in the light of the changes in costs and responsibilities within our jurisdictions but also in the light of what the provinces wished to propose about shared programs. I said it was only after a thorough review of such programs that we could decide how much or how fundamentally our fiscal relationships could wisely be changed.

It was not difficult, Mr. Chairman, to convince anyone at that conference of the need for such a complete review. The differences of emphasis in the provincial statements—and I take it that hon. members have had an opportunity to look at those provincial statements—were themselves enough to show the need for much more examination and discussion on a matter which more, perhaps than any other, calls not for unilateral action but for close federal-provincial consultations. At this opening meeting I went on to discuss one aspect of federal-provincial fiscal relationships which had to be considered at this particular meeting and which seemed to us to be ready for change. That was what we referred to as equalization. We need, as I said, to take note of the extent of federal and provincial occupation of common tax fields. But on the need for a more genuine equalization applied to any given degree of provincial occupation of the shared fields there seemed to be little room for doubt. I emphasized that the federal government—and I think this view was shared in one way or another by every provincial leader—regarded the concept of equalization as making possible a more co-operative federalism. We could not, I said, have co-operative federalism at all unless all the provinces, with all their variety of size and wealth—indeed, if there was not so much variety we would not need equalization—had power to discharge their constitutional responsibility, and no tax system in a confederation such as ours would make that possible unless it embodied the concept of equalization.

There was no difference of opinion on that. We all agreed that we could not build, sustain and keep united a strong confederation from sea to sea unless we ensured that the opportunities open to Canadians in one place were not allowed to lag behind the opportunities open to Canadians in other places. Also, an attempt to make opportunities comparable in education and other provincial services would not be successful, indeed would not be possible, unless our tax system secured in some manner to the provinces comparable—not, of course, equal, because that would be impossible—revenues per capita from standard rates of taxation. Obviously, as I pointed out at the beginning and as became very clear as the conference went on, there was room for discussion as to the formula which would best express this concept of equalization.

There were arguments for taking one type of revenue into account and not another. Indeed, an argument was put forward by one provincial premier for taking every kind of revenue into account. There were arguments as to whether equalization is best defined quite simply, "in order to bring the revenue yields up to those provinces in which, in any year, they are the highest"—I admit at once that it was the position that we had taken in opposition—or whether some slightly more elaborate formula was better because it would give more stability and certainty and perhaps do more to prevent inequities.

I said, having mentioned these points, that these were the points on which we wished to have the views of the provinces before we put forward our own proposal to the conference. I can assure the members of the committee that we did indeed hear those views. It was only after hearing those views that the federal delegation volunteered to put forward a proposal which I will come to later.

Now, Mr. Chairman, in a way, the communique which was tabled this afternoon, summarizes the results of the conference. However, perhaps I could try to put these results under certain headings, indicate very briefly what was accomplished in respect of each of those headings, and in one or two respects go into somewhat more detail.

The first question, and this occupied a good deal of attention, was the examination of the state of the Canadian economy. There was a general agreement on the need for federal-provincial consultation in the formative stages of economic policy of concern to the provinces, and this meant the long term economic objectives. In this connection, the federal-provincial ministers of trade and commerce and of industry agreed to meet shortly at the invitation of the federal Minister of Trade and Commerce.

Then, the next subject, and one that occupied most of our attention, one about which I have talked and will talk some more when I come back to it, was the question of fiscal arrangements. As hon. members know, equalization payments were altered from the national average to the average of the top two provinces and the abatement of federal estate taxes is also increased from 50 per cent to 75 per cent in favour of provincial succession duties. The effective date of these changes, Mr. Chairman, is to be April 1, 1964. The total cost to the federal treasury in 1964-65, and this arrangement is for the forthcoming year only, will be $87.4 million.

In putting forward this arrangement, Mr. Chairman, there has been some charge made, if I can use that word, that this represented a capitulation on the part of the federal government, more particularly to the provincial government of Quebec. It is interesting to note in respect of the charge of capitulation, that the premier of Quebec, when he went home over the week end, was charged with having capitulated to the federal government in Ottawa. We must try, therefore, to find out who capitulated to whom.

The fact is, of course, that there was no capitulation. It is very easy, therefore, for me to answer the question asked on November 27 by the right hon. Leader of the Opposition, which appears on page 5156 of *Hansard,* when in referring to a brief which had been presented to the dominion-provincial conference by the premier of Quebec, the Leader of the Opposition said, "Can he say whether it is the intention of the government to capitulate to this ultimatum, as has been the case in the past?" I repeat, Mr. Chairman, there was no ultimatum and there was no capitulation. There was consultation. There were concessions, and there was an agreement.

Now, the next question dealt with conditional grants and shared cost programs. As a result of the discussion of this important matter, the conference agreed to set up a working group to study the need for conditional grants and shared cost programs, in preparation for the next federal-provincial conference which will take place early in 1964. No date has been fixed, but it will probably be in February or in March. The conference has been invited, and I think this will be a precedent, in that it will be the first time a federal-provincial conference has met outside of Ottawa, to meet in Quebec. My hon. friend, the Secretary of State, with his encyclopaedic knowledge of these things, tells me I am wrong and that a conference has met out of Ottawa once, and it met in Quebec.

This conference, which it is proposed to hold in February or March, would be in a sense a continuation of the meeting last week to deal with other aspects of fiscal relationship and continue consideration of what was done last week, relating that consideration to what will be done about the shared cost programs. As I have already said, there are important financial implications about the action which may be taken in regard to these programs. In a sense, then, this will be a follow-up of the meeting last week.

The next matter on my list that was discussed was hospital insurance and costs of operation. Here, it was agreed that there should be an early conference of ministers of health to discuss hospital costs and related matters.

Then, we dealt with the question of categorical assistance programs. One of the constructive changes that was made in the first draft of the communique was to eliminate the word "categorical" which seems to be attached now to these assistance programs. It was agreed that an additional $10 per month would be paid under the welfare programs for old age assistance and for blindness and disability allowances. These are the three categorical assistance programs. There have been a great many questions asked in the house in recent weeks as to what we were doing about this part of the federal program, and in return we have replied that we would wait until the conference met so we could find out what the provinces desired. At the conference it was agreed we should take the step I have just mentioned and we will proceed to do that as soon as possible.

Then, under this heading it was agreed also to establish a working group, a federal-provincial working group to review the operation of all joint welfare programs in preparation for a discussion by the ministers at the next conference. This will be to prepare for the work of the next conference in this particular field.

Mr. Douglas: May I ask the Prime Minister a question? Did the provinces not agree, in agreeing to the $10 increase, that they would raise the allowable income ceilings?

Mr. Pearson: Yes, there was unanimous agreement to that effect and I should have mentioned that. I am not sure of my figures, but I think the allowable ceiling has been increased to $1,260 from $1,140.

We discussed, though rather briefly, the question of the agricultural marketing boards, which matter was on the agenda. After a preliminary discussion that matter was referred to a meeting of federal and provincial ministers of agriculture which is to take place in Ottawa this month.

There was a discussion of Indian and Eskimo affairs, in the course of which we agreed that the objective was to achieve closer association of these Canadians with the lives of other Canadians; and that native people should be consulted as fully as possible so as to obtain their support and cooperation in the realization of this objective. It was decided that a federal-provincial ministerial conference should be held in May 1964 to discuss Indian affairs.

The next item on the agenda was the question of provincial lotteries. There was some discussion of that matter and a special meeting held of the Minister of Justice and the attorneys general. There was a strong desire on the part of one province to have the Criminal Code amended to make lotteries

legal in any province which desired to have such lotteries. The federal delegation indicated that it had no intention of introducing national lotteries itself but was anxious to hear the views of the provinces with regard to this matter. While one province, the province of Quebec, was strongly in favour of this amendment to the Criminal Code, there were others who were opposed to the amendment, because while they themselves would not have to institute lotteries under such an amendment—there would be no obligation on their part to support any such action—they nevertheless in one or two cases felt some objection should be taken to the recognition of lotteries in this way, and in other cases felt that if there was a provincial lottery in one province where it was legal, there would be great difficulties in enforcing it in an adjacent province where it was illegal. Therefore the federal government, as the communique said, merely took note of the views expressed by the provinces and will have to give the matter consideration.

Then we had a quite complete discussion, or as complete as possible in the short time available, of the Canada pension plan. As a result of that discussion, we indicated that we would supply the provinces in writing with certain detailed information regarding the plan. I had a statement to make on this matter before the conference, and perhaps I can tell the committee that, in introducing the discussion, I listed headings under which I thought discussion might take place, and those headings included the main features of the federal pension proposal. The main discussion ranged around these features: First of all, coverage; to whom the plan would apply. Second, earnings limits; the amounts of income on which pensions were to be paid and contributions collected. Third, benefit levels; the size of pensions and the conditions under which they would be available. Fourth, pensionable earnings; a definition of what a man has been earning as the basis for calculating his pension. Fifth, the maturity period; the number of years over which pensions scales would rise to the full level of the plan. There was quite a vigorous discussion of that and some difference of opinion on it. Sixth, funding; the scale of contributions to be levied in relation to the size of reserves to be provided and the contribution which would thereby be made to savings during the years before the plan reached full maturity. Then next, the relation of the public plan to private plans and the question of such private plans contracting out.

Mr. Diefenbaker: Would the Prime Minister allow a question at this stage? What were the views expressed by the federal government in regard to private plans? What is the scheme that the federal government has in mind which will permit the continuance of private plans; or, if continuance is not permitted, the scheme that would give credit to the various participants in present pension plans? What is the general outline in that regard? We have never had that.

Mr. Pearson: It would not be easy for me to go into detail at this time, of course, but I appreciate the importance of the subject and the interest of the committee in it. We pointed out to the conference that while we on the federal side had no objection to private plans contracting out—that is, no objection in principle—there were very great administrative difficulties. Those difficulties had been shown by experience in some countries to be almost insurmountable in the case of certain types of national plans.

Therefore we thought it would be better to proceed—we put this to the provinces for their consideration, and this is one of the matters on which we are writing further and giving them more detail—by introducing the kind of national plan to which private plans could be adapted. The provinces wanted to know about this principle of adaption and we all agreed that whether adaptation of that kind could be possible would depend on the nature of the public plan and how it could be assimilated with private plans, or vice versa. We hope, with the information which we will be giving to the provinces and giving to the house, to remove some of the fears expressed by some of the provinces that this would be the greatest stumbling block in the way of a satisfactory national pension plan.

Mr. Diefenbaker: Would the Prime Minister allow a further question. He is generalizing at the moment, but could he say whether or not the federal government has a plan which will assure that those who today have private pension plans will not find themselves in a position where the contributions they have made and the credit to which they are entitled will not be taken into consideration by any federal plan?

Mr. Pearson: I can give my right hon. friend an assurance that in the plan that we will eventually put forward, after these exchanges of views which I have been talking about, the interests of those who are now contributing to private plans will be protected and that they will not lose by the Canada pension plan. I do not think I can go any further than that at the moment.

Mr. Diefenbaker: But the plan is ready?

Mr. Pearson: The plan has been ready, Mr. Chairman, but as a result of consultations

with the provinces—and surely this is the purpose of consultations with the provinces—we are now going to examine that plan in light of the views which have been put forward, and in light of the views put forward at two previous conferences with the provincial governments. I think this is the last such conference which will be required, and as a result of this conference and the exchange of written communications which will now take place in order to clear up some difficulties I think we can go ahead with a final federal pension plan. I am encouraged, Mr. Chairman, by the events of last week to say that the position of the provinces, who I hope will co-operate with us in the plan, and the position of the federal government, are both much closer than they were before the conference took place. I think the provincial premiers who were here would agree with that statement. The premier of Quebec indicated the intention of his government to stay out of the plan, as is their right, and to put into effect a provincial portable universal plan. But I think he would agree that as a result of the discussions last week and the final form which the federal plan will be taking, it would be easier for the Quebec provincial plan, if it is put into effect, to be dovetailed into the federal plan, or vice versa. So, as I say, I think it was a helpful conference from that point of view.

Mr. Diefenbaker: As the Prime Minister has raised the views of various premiers, were the views expressed by the premier of Ontario in keeping with that spirit of co-operation which would indicate that the province of Ontario and the federal government have now come to a position so analogous that there will be agreement in this connection?

Mr. Pearson: I have every hope that that will be the case, Mr. Chairman, but I think I had better let Mr. Robarts—and I am very glad to pay tribute to the constructive part he played in the conference—speak for himself and his government in this connection. But I am hopeful we shall be able to work together and that Ontario will co-operate in a national pension plan. However, it will be for them to decide.

Another point which was discussed concerned other benefits which might be included—provision for disabled contributors, for younger widows with dependent children and orphans. This is another matter on which we shall have to exchange information with the provinces.

A further subject upon which views were exchanged—and it is an important one—was this: what safeguards could be established in order to restrain any tendency—some delegates thought it would be an inevitable tendency—to increase pension benefits without taking adequate account of the future cost and the effect on savings. I think we cleared up some misgivings which were in the minds of some of the provincial leaders that this federal scheme might, in the form in which they had studied it earlier, get out of control and ultimately have a bad effect on the financial stability of our country. We agreed that the provincial governments had a legitimate interest in this aspect of the matter and that some arrangement should be worked out by which the federal government will be able to co-operate with the provincial governments in the administration of the plan to see that this did not happen. There were some proposals put forward as to how this might best be done. I think we made progress in this direction and we agreed to continue the process by means of an exchange of briefs on some of the points which were not finally cleared up.

On behalf of the federal government we told the provinces that while we were willing and anxious to modify our plan in any way which seemed practical and desirable in order to meet provincial points of view and, in some cases, political apprehensions, nevertheless there were certain essentials in a federal contributory plan on which we must stand, and unless these essentials were embodied in any such plan we did not feel we could submit it to the House of Commons. Of course, the provinces wanted to know what these essentials were. They were outlined to the provinces during the course of the conference and they are as follows:

1. The plan must be as near universal as administratively practicable but with provision for voluntary participation.

On this point, there were some provinces which felt that the plan should be universal and compulsory so as to include all wage earners, whether self-employed or otherwise. Of course, that is a desirable thing and that is the objective to which we would be working if we had such a plan; but we felt it would be undesirable to make the scheme universal in a compulsory way from the beginning. The experience of other countries, notably of the United States, has shown how difficult this would be. We felt that the plan should be as universal as administratively practicable and that we should work toward the objective of complete universality.

2. It should apply up to the average level of earnings.

3. In combination with the flat-rate benefit, provide pensions which are modestly adequate for those who cannot make other provision for their retirement.

4. Leave scope for further provision by those who can make it; to this end, keep the disturbance of private plans to the minimum practicable.

5. Because many who cannot make further provision are now middle aged, it should have a moderately short maturity period.

There was a good deal of discussion on what that period should be.

6. Make the adequate minimum pensions available from age 65.

7. Provide security in real terms by relating pension levels to earnings levels at the time of retirement.

8. Provide safeguards against the costs of the plan being increased, to the detriment of savings.

These were what we considered to be the essentials in any federal plan.

Now I should like to turn to a subject which, perhaps, aroused the greatest attention, certainly the most controversial attention. I wish to return to the question of equalization and fiscal relations. In dealing with this matter I want to say something about arrangements for liaison and consultation between conferences and the discussion we had on that point.

I said before the conference began, and I repeated it this afternoon, that its success would not be measured by the number of specific decisions which were made during the week. Urgent as some of the problems are, the basic fact is that we were building for more than today. We are, or we should be, shaping the direction of Canadian federalism for a generation. I think the conference succeeded in its most important purpose, which was to ensure as far as it could that the direction in which we are proceeding will be that of what we now call co-operative federalism. In that spirit, I believe the main achievement of this conference, the achievement which is in my view of fundamental importance for the future of our country, was to improve the mutual understanding of the problems of the 11 governments and, on that basis, to provide for close consultation and co-operation in the months ahead.

It was agreed, without any dissenting voice, that it was now of the most urgent importance—more important than it has been in the past—that there should be this kind of consultation and continuous co-operation. Things have been done in the last year or year and a half or two years—and I am not thinking in any partisan way, nor do I wish to—which have been questioned by certain provinces. When these things, or analogous things were done ten or 15 years ago—and, indeed, they were—they were not questioned by the provincial governments. And there have been activities of the provinces, in their turn, which have had a bearing on federal responsibilities and federal actions. I do not think we can complain about these developments, because they are going to take place. Somehow or other, if the provinces are going to extend their activities in their own fields—and the federal government is bound to do the same—and if these activities overlap—and they are bound to overlap on occasions—and if sometimes, they seem to get in each other's way and contradict each other, it becomes more necessary for consultations to take place between the two levels of government than at any previous time.

I think this was agreed by everyone attending the conference and I am sure it will be agreed by all members of the committee.

On the federal side, it was pointed out that consultation is a two way street, and if we are to consult the provinces on the federal activities which are proposed—legislation and other matters which are of direct interest to the provinces—then the provinces should be anxious to carry out the same kind of consultation when they propose to take action in the fields of industry, the nationalization of power, trade promotion and other matters which have a direct bearing on the discharge of federal responsibilities.

There was no disposition to disagree on the necessity for that kind of consultation. In discussing the way this could be worked out—and again this could not be done in a few days—we agreed that there should be in each government, federal and provincial, some agency under a minister particularly charged with federal-provincial relations and federal-provincial affairs. This has already taken place in some governments. I think there is a minister of federal-provincial relations in Quebec. I believe there is one in New Brunswick and I believe there is one in Manitoba. The premier of Ontario, to his great surprise, found during the conference that he was the minister in charge of federal-provincial relations in Ontario, although he had not been aware of it up to that time. One of his officials told him so.

It was agreed that we should in our respective governments work out suitable machinery in the sense we should have agencies in our governments particularly charged with the responsibility of ensuring, in so far as it can be assured by this kind of action, that there will be the kind of consultation which will remove difficulties before they become crises. Very often when there are difficulties of this kind it is not due to calculation or design on anybody's part, but rather to carelessness and the fact

that we just did not think about it. We know about that in international affairs.

I think this would be a step forward and we all agreed to do that. We on the federal side will be taking steps toward that end.

Then it was thought that in addition to these separate agencies or departments, provincial and federal, we could set up a liaison secretariat. It was felt we should proceed carefully about this, because this is not the kind of thing that should be done overnight in that a secretariat of this kind in Ottawa, if you like, might create more confusion than it would do good in the field of consultation and co-operation, because it would be difficult to figure out at the beginning to whom such a secretariat would be responsible, if it had representatives of all the governments, provincial and federal. We thought this was an objective to be worked out in the light of experience.

Finally, in this field of consultation it was felt it would be helpful if we could have a kind of calendar of federal-provincial meetings each year. At the beginning of the year the federal-provincial ministerial contacts required during the year would be worked out. Some of my hon. friends opposite have had experience with this kind of thing and if hon. members will study this matter, as I am sure some of them have, they will be surprised, if they did not know it before—I know I was surprised—at the amount of federal-provincial consultation that now goes on and the machinery that has been set up for federal-provincial consultation. It was felt it would be helpful if we could organize this matter, pull it together and relate one kind of consultation to another, so that at the beginning of the year we would have a kind of calendar of federal-provincial conferences during the year, culminating at the end of the year perhaps in a federal-provincial conference at the prime minister-premier level, to which there could also be invited ministers of finance and economic affairs, who would take part in that kind of consultation at the end of each year. We thought that would probably be a very good thing to do.

While there was general agreement on the desirability of this kind of consultation, I pointed out, and I think others had the same feeling, that while consultation is essential, consultation is not an end in itself and consultation can be no substitute for action, as some of us have learned from experience in the field of international affairs. Therefore consultation should not get in the way of action. It should ensure that the action that is being taken is the kind of action that will not cause trouble afterwards because people who were concerned were not consulted about it. I hope we will be able to make a good deal of progress in the months and years ahead in this development, which is so important with this new concept of what I have referred to as co-operative federalism.

The most important work in this field lies ahead of us, because it certainly was not completed last week, and indeed the most important subject that we discussed last week in its immediate effect was the question of tax sharing and equalization. As I pointed out, as a result of the conference, the federal government will now propose to parliament certain changes in the fiscal arrangements for the coming financial year. As I have said, they are changes which will mean the federal government's revenues next year will be $87 million less than they would be if the existing arrangements had carried through without change, and the revenues of the provinces will be correspondingly increased.

The changes that are to be made in this field are not exactly the changes that I indicated at the beginning of the conference the federal government would have preferred to make. I emphasized in the discussions at the beginning of the conference, as I have emphasized many times before, my belief in the concept of equalization of provincial revenues through the shared tax field, and we would have preferred to have full equalization, which means equalization up to the revenue level of the top province. We have been criticized and very strongly criticized at the conference, for not doing just that. The hon. member for Burnaby-Coquitlam had a few words to say on this and my hon. friend's successor as premier of Saskatchewan criticized us at the final meeting at the conference, and in public, in much the same terms. I should like to deal with this particular criticism, but as it will take me ten or 15 minutes to complete what I have to say, perhaps you might permit me to call it five o'clock, Mr. Chairman, before I go into that.

The Chairman: Order. It being five o'clock it is my duty to leave the chair in order that the house may proceed with the consideration of private members' business, pursuant to section 3 of standing order 15.

[*Translation*]

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

[*Text*]

HEALTH AND WELFARE

PROVISION OF MEDICAL AND DENTAL CARE TO PENSIONERS

Mr. Gerard Laprise (Chapleau) moved:

That in the opinion of this house, the government should give consideration to the advisability of providing all federal government pensioners with free medical, surgical, dental and ophthalmological care.

He said:

[*Translation*]

Mr. Speaker, I am very happy to introduce this evening the following motion which is found on the order paper under No. 17, and reads as follows:

That, in the opinion of this house, the government should give consideration to the advisability of providing all federal government pensioners with free medical, surgical, dental and ophthalmological care.

Mr. Speaker, when I had this motion put on the order paper on May 17 last—which is quite a long time ago—my aim was then, as it is today, to make the house understand the anxiety of elderly people drawing a pension from the federal government, when they have to face ill health. The small pensions they receive hardly permit any savings. In many cases, when illness strikes, our old people just wait and hope to get over it. They persist in only calling a doctor at the last minute, to hear him say that it is now too late and that they should have called him earlier.

Mr. Speaker, it is because of the many letters I received from our old, blind and invalid people, and others, who have been struck by illness and have nothing but their meagre pension, that I introduced the present motion.

Some lucky people, as I would call them, claim that if the parties concerned do not have enough savings on retirement and have not provided for their old age, it is because they have spent too freely and have not saved enough. In reply, I would say that if Canadian citizens and especially our workers and farmers are unable to save for their old age, it is simply because they have to pay to the government in income tax and otherwise, throughout their lives, whatever they could have saved for their retirement.

Mr. Speaker, that is why we are making this request today and why the people of Canada ask that the government ensure medical security for the aged.

Everybody agrees that that small pension only helps older citizens to survive; it could not be their only source of income.

I feel that it is the duty of the national government to provide for the security of our retired citizens who can count only on such government allowances to live.

If, as suggested in this motion, the government provided necessary care to people drawing a pension from the state, it would contribute a great deal to the banning of much misery and worry.

I hope the government will consider the motion with the greatest attention and understanding.

I know that the government is now discussing certain retirement plans for our older people. But the subject matter of this motion, that is some forms of illness should, because considerable medical expenses are perhaps more frequent in that age bracket, be the main concern of hon. members.

Mr. Speaker, I hope the motion will be agreeable to all the members and that the government, after having studied it exhaustively, will bring in, as soon as possible, the necessary readjustment.

The federal-provincial conference which has just come to a close has brought a glimmer of hope to our blind and disabled people, as well as to our senior citizens, as far as an increase in their pensions is concerned. But we hope that the government will go one step further and grant that assistance to our older citizens, without a means test, from age 65, and from age 60 in all other cases.

I would like to think that the government will continue to examine carefully the situation and that, together with the provinces, in an improved spirit of understanding and cooperation, it will find the means to give more adequate assistance to the disabled and the blind.

[*Text*]

Mr. Lloyd Francis (Carleton): Mr. Speaker, I think there are very few members in this house who are not in favour of measures to relieve hardship, especially hardship due to ill health, and especially hardship of people in the general category of pensioners. But while we all sympathize very much with the objectives of such a motion, as members of this house we have a responsibility to act according to measures which can be generally recognized as responsible measures.

The wording of this particular motive gives me a great deal of concern. It states:

That, in the opinion of this house, the government should give consideration to the advisability of providing all federal government pensioners with free medical, surgical, dental and opthalmological care.

If there ever was an omnibus resolution, this is one, and I would like to pay a little attention to the problem of definition. The motion refers to "all federal government pensioners." Just whom are we talking about?

Are we talking about the retired employees of the government of Canada? Are we talking about retired members of the armed forces? Are we talking about those persons in receipt of old age security pensions, in receipt of old age assistance, in receipt of aid to the disabled, in receipt of blind pensions, and those who are in receipt of unemployment assistance and general assistance at the local level, which is in part reimbursed to the provinces through federal grants? Are we considering family allowance recipients who, in a sense, are pensioners—if we define "pensioners" as persons in receipt of regular payments from the government of Canada?

The matter of definition has not been faced by the sponsor of this motion, and surely one of the first things we should give attention to is the definition of those who would be eligible for benefits. For example, I find in the last report tabled by the Minister of National Health and Welfare, which states that in March, 1962, there were 927,590 persons receiving old age security. These are certainly federal government pensioners, and their numbers are now approaching one million.

At that time there were 6,562,287 children receiving federal monthly payments. Their numbers again have increased fairly substantially since that date. There were just about 100,000 persons receiving old age assistance, over 50,000 persons receiving aid to the disabled, and 8,750 persons receiving blindness allowances. There were something of the order of 600,000 persons benefiting from the unemployment assistance payments, which were credited through the provinces to the municipalities administering the benefits at the local level.

Surely, Mr. Speaker, we have to define the coverage. I listened carefully to the hon. member moving the motion, and my impression is that he was talking about those persons who are retired employees of the government of Canada. I wish he, or those who will speak in support of it, would clarify this particular point. I would like to know just what particular group of citizens we are talking about, because if we take a definition of pensioner to be anyone who is receiving benefits from the government of Canada, we come up with a very substantial portion of the population of our country. We are talking about something like seven and three quarter millions of persons, something in excess of 40 per cent of the population of Canada, if we take the broadest possible interpretation. If this is the intent of the mover of the motion, then obviously this is a measure of very substantial financial magnitude.

If its intention is to define in a much more restrictive sense the persons who are eligible, he has failed to do this so far in the debate; and I think one of the first rules of debate is to define the terms we employ so everybody will know what we are talking about.

We are also talking about benefits. Again, the mover of the resolution is most generous; he wants to provide free medical, surgical, dental and ophthalmological care. This is a very comprehensive approach to health services. I personally—and I am sure this applies to every hon. member of the house—regret any circumstances in which persons in Canada, no matter who they are, are not able to receive adequate health services. Certainly the World Health Organization, in its definition of health as being the complete social, mental and physical well being of a person, takes a comprehensive approach to the problem and suggests that this type of service is one of those things which citizens in a democratic society have some right to expect. The problem, again, is this: It is one thing to respect the right to services; it is another thing, in an omnibus resolution, to bring about a revolutionary, overnight change in a measure under which something like 40 per cent of the population of the country could receive such services, if that is the intention of the mover of the resolution.

If it is his intention to deal only with a small, restricted group of persons who are former employees of the government of Canada, without regard to a means test, that is an entirely different proposition and one I would not be prepared to accept in those terms, any more than I am prepared to accept the omnibus resolution. If it is the concern of the mover of the resolution to deal with various categories of disabled persons, blind persons, recipients of old age assistance—and there was a reference in his opening statement to such persons—I think he has an obligation to look at the services being now provided province by province across Canada. In one breath the mover of this resolution talks about constitutional problems; he is very anxious that the federal government should not invade anything that is a provincial responsibility or provincial prerogative. Health traditionally has been a provincial responsibility in Canada, and the federal government's role in this field has been largely developed in the direction—I say largely; there are some provisos which I want to deal with later—of making grants in aid to the provinces for hospital insurance and diagnostic services provided by the hospital. The Hospital Insurance and Diagnostic Services Act is an example of this. That is a good example of the role the federal government plays in this field, and the rights of the provinces and their primary obligations in this area have been carefully safeguarded.

Many provinces in Canada have developed programs of health services for special needy groups of persons. The province of British Columbia, the province of Alberta, the province of Saskatchewan, the province of Manitoba and the province of Ontario have developed programs by which they have made per capita allowances into pooled funds. Out of these funds services are provided. The medical profession bills the fund, usually on a fee for service basis, for services rendered. If the funds are insufficient to meet the claims as billed by the professional men, there is a formula for taxing the claims, pro rating them and administering them out of the funds. This is to safeguard both the professional man, the provider of the service and the recipient of the service and is in the interests of the public in that it makes sure that funds which are committed in this area are used wisely and effectively, with a minimum of waste.

If it is the intention of the mover of the resolution that such funds should cease to operate, I think he should say so. If it is his intention to extend this type of coverage, province by province, to those parts of the country in which such benefits are not now enjoyed, I think he should frame a totally different kind of resolution to place before this house. I for one do not believe it is the responsibility of the federal government to intrude upon fields which have been developed and are now being exercised as provincial responsibilities, in the form of adopting this kind of resolution, without a great deal of prior consultation to make sure that, whatever moves are made, they are made with the consent of those affected and with due regard to our constitutional arrangements. I find it difficult to believe that the mover of the resolution can speak so strongly of provincial rights in one respect one day and then make a motion of this nature which would, in a very revolutionary manner, set aside provincial rights and intrude the federal government into areas in which the federal government has not so far been regarded as having a primary responsibility.

When we talk about the provision of these services I think there are two or three very fundamental principles involved. If the object is to provide free medical, surgical, dental and ophthalmological care, we have to make sure there are the necessary facilities for the provision of such care. Traditionally there have been two approaches. One is for the federal government to provide such services, in the manner, for example, in which the Department of Veterans Affairs provides services. The last annual report of the Department of Veterans Affairs that for the fiscal year 1962-63, which was tabled in this house, shows for example that 182,713 men and women are receiving service-connected pensions, benefits as a result of pensions which have been awarded from war service. A wide measure of care is provided to such persons through hospitals operated by the federal government, through medical practitioners who work for the federal government, and others and who perform services under an established tariff for the federal government. A broad range of health services is provided of a standard that I am proud to say makes Canada rate very highly with regard to other nations of the world. Certainly a tremendous amount has been done by way of providing services to veterans that certainly goes far beyond the record of previous wars and the record of many other countries associated with us in our military efforts. But this type of provision is an expensive one. I for one do not quarrel with expense as such—although as public representatives we must always be aware of expense—but I am concerned with an approach which selects certain groups of the population for preferred benefits and does not provide a general, across the board approach, which I think is the healthier one and one that we must set as an objective.

In regard to hospital insurance, one of the conditions the government of Canada required of every province signing an agreement before it could claim federal grants in aid was that services must be universally available within the province. "Universally available" meant there should be no arbitrary or categorical distinctions; that citizens of Canada or people who met the residence requirements, regardless of age, regardless of sex, regardless of any other social attributes that may or may not have been the basis of discrimination in other countries, would be eligible for services as a matter of right within the framework developed. I think it is wrong to pick out one category of citizens. The category the mover of the resolution has in mind may be people who happen to have been employed by the government of Canada. Perhaps he has in mind that they should qualify under a means test administered for one of the various aid programs. It is not clear from his statement what he had in mind. Regardless of what he has in mind, I personally feel that the objective in the extension of these services should be on a universal basis, or at least a basis which is spelled out clearly to allow broader sections of the population to benefit.

One of the methods of determining it could be, of course, the means test. That is the basis of eligibility for the category of programs to which reference was made a little while ago. But to set up a category of the population, a large group of persons,

as those who would be eligible for services on the basis of a means test is a fundamental move which this house could not take without a great deal of prior consultation with the provinces, and with the professions involved.

The other method on which services have been provided is the so-called indemnity benefit. Instead of the service approach, you take the approach of providing benefits through an indemnity type of insurance plan. I do not think, generally speaking, the benefits under the indemnity type cover complete medical, surgical, dental and ophthalmological care because the private insurance companies, in developing this indemnity approach, generally insist upon certain types of financial deterrents, such as the co-insurance clause, before comprehensive insurance of this nature is underwritten. Again, there was nothing in the resolution or in the introductory statement by the mover of the resolution which suggested that he had this type of provision in mind, the indemnity type of approach, which is the approach generally favoured by the private insurance industry, and many of other carriers.

Regardless of which approach is taken, the service approach or the indemnity approach, there must be a careful determination of the categories eligible. There must be a careful spelling out of the limitations of the financial commitment with respect to the services used. With many of the service plans a *pro rata* device or a pool fund seems almost inescapable, if the service approach is to be adopted. If, on the other hand, the indemnity approach is to be adopted, then certainly the experience with those plans which have experimented with this type of indemnity plan would not indicate that the type of coverage provided would meet the general requirements of this resolution, that is free medical, surgical, dental and ophthalmological care. Certain deterrent charges requiring the patient to pay a portion of the charge has been found, in many cases, to be necessary as part of the administration of these plans in order to keep financial responsibility within limits.

In summarizing what I have argued, may I say that the mover of this resolution has not defined "federal government pensioners". As I have pointed out, a very large proportion of our population receive cash benefits from the public treasury, and they could fall within the popular acceptance of the term "pensioners", as used in this resolution. If, however, it is the intention to restrict it to ex-employees of the government of Canada who are retired, or to those beneficiaries of the categorical assistance programs administered by the provinces with federal government reimbursement, then that is another matter. This has not been made clear. If the hon. member's introductory remarks suggested that categorical assistance recipients should be eligible for this care, then there would at least have to be a great deal of discussion with the provinces in a federal-provincial conference before any move of this nature would be justified by the federal government. I feel that there is a grave constitutional question as to the way in which the resolution would be interpreted in its present wording. I am not saying it could not be done, but I am saying if that is the intention of the mover of the resolution, then his resolution should have been worded accordingly.

I pointed out, sir, the way in which benefits were provided on the service basis or on the indemnity basis. The service basis has been adopted by D.V.A., and that has a very obvious limitation within the framework of the program itself. I feel, Mr. Speaker, that a commitment of this magnitude for the benefit of certain categories of the population only, is not a proper approach. I would prefer to approach assistance of that type in the hospital insurance field, for example, where we have the general categories of the population benefiting. If it is the intention of the mover of the resolution to adopt the indemnity approach to his provisional plan, then this has not been stated and is by no means clear. The indemnity approach, as exemplified by the private insurance companies, contains many deterrent clauses and co-insurance clauses, while the wording in the resolution refers to free medical, surgical, dental and ophthalmological care.

For all of these reasons, I feel that the mover should withdraw this resolution and introduce one more precisely worded to state his intention, indicating clearly what group of the population he intends to have covered. I think such a resolution should also define much more carefully the method of providing benefits. I do not feel, Mr. Speaker, that in the manner specified in the resolution it is possible to cover the greatest range, because of the limitation on the concept of providing service, and at least the resolution should spell out quite carefully the intentions of its mover.

Mr. William Dean Howe (Hamilton South): Mr. Speaker, I should like to say a few words on this motion. I take exception, first, to the use of the words "federal government pensioners" because this term is not defined. One should define what a federal government pensioner is. If we assume that all those now in receipt of a pension from the

federal government are included, then I believe this type of service is provided for these people now.

Then, too, I take exception to the use of the word "free" in the wording of this resolution because this puts people in the category of accepting charity, which is a degrading state. We, in this party, feel that medical care is something one has a right to pay for, and therefore one is not accepting charity. Then, too, this should not be limited to old age pensioners or to federal government pensioners, but rather it should be available on a universal basis. People should receive medical care in accordance with the need for medical care, rather than in accordance with ability to pay.

At the present time, I believe it is rather degrading to subject these people to a means test. This takes a person out of the category of being a human being, because in many cases he is herded into hospital clinics. It is degrading because the person cannot have any worldly possessions at all. He must get rid of them before he is eligible for free medical care. This care is very limited so far as private doctors are concerned. The patient is allowed to go to the hospital for major procedures, such as surgery. In the hospital students who are learning, interns, are allowed to look after these people.

This state of affairs does not make one very happy. I have worked in it; I have seen it. I have had many patients myself in need of medical, dental or ophthalmological care, and this care was not available to them under any circumstances, unless a friend provided it or someone donated money.

Another bad feature of charitable care of the sort we have now is that a person is looked after by the private doctor up to a certain point, and then the patient goes to a hospital clinic. At that point that person loses complete contact with his family doctor, which I think is a bad state of affairs. Contact should be maintained. It must be something which is continuous, and the patient's history must be followed through in all its phases. If such a person is to receive charitable care, I think there should be liaison with the family doctor so that the patient is adequately looked after and cared for on a continuous and interested basis, keeping in mind that the man is a human being, regardless of his financial state.

The degradation of charity suggested by this motion is a very poor suggestion. On the other hand the suggestion that these people receive medical care is an excellent one. The wording of the motion is very poor in that it is not explicit at the beginning and it is too all-inclusive of the type of care a person gets, which is putting him on a charitable basis, as I have said, rather than on the basis that the man has earned his right to health.

I think the government should set themselves up as an ideal employer, and their employees should be covered by a plan, contributions toward which are deducted from their pay, and the plan carried on after retirement. At least, that should be done on a temporary basis until we have some universal form of medical care for all our citizens. The government should be an ideal employer. The motion intimates that government employees are not adequately cared for but require some special action to get complete medical care on a charitable basis. I think the wording of the motion is such that the question needs further study. This motion should be more explicit in its definitions before it can be accepted and approved.

Mr. D. G. Hahn (Broadview): Mr. Speaker, in rising to speak to this motion I think all of us can be tagged with the same tag, and that is that we literally do not know what we are talking about; because the resolution is so ill defined it is impossible to really clearly understand what the sponsor is proposing. The motion suggests that the government should provide medical services to all federal government pensioners. But it stops there without, as has been previously said, defining the motion further. It does not say which particular federal government pensioners. It does not say whether we are talking about old age pensioners, veterans or retired civil servants. It does not say whom we are talking about, so we have no idea from the motion how large a body of people we are referring to.

In the second place, it does not clarify exactly what type of medical, surgical, dental and ophthalmological care should be provided. Does this mean free glasses? Does it mean free medicines? Does it mean free dentures? We just do not know. So the motion tosses out what is a very nice idea, but does not in itself define it. It leaves out what I think is a pretty important piece of information which must be brought before the house, if we are to look at a measure such as this. Nowhere does it indicate how much this service would cost. How can we in all conscience pass any piece of legislation in this house without some idea of the cost involved? Not only should we know the cost; we must also have some idea of how we are going to raise the funds. Is the recommendation of this particular motion within the economic power of the country? What effect will it have? Is it far reaching enough that it is going to be a major piece of social legislation which will put a major burden on the treasury, or is the motion referring only

to a small group of people, to limited services, and hence a limited drain on the treasury? These things we do not know, and I think we must know about these matters before we can pass judgment on such a piece of legislation.

This motion covers a certain group of people with a certain type of medical care. But neither proposal is clearly defined. It also excludes some people. Let us look at some of the people who are excluded. Excluded, as I read it, from the free medical care might be the welfare cases in our municipalities. Surely these people are in need of medical, dental and other care. Surely they need it as much as some classes of federal pensioners. In proposing this motion the hon. member for Chapleau (Mr. Laprise) did not tell us why he selected for this special treatment the group he did, but excluded others. He did not say a word about those who are excluded from this care and those who might be equally deserving.

The last point on this proposed measure is the problem of provincial rights. We have had a lot of discussion about this problem in the last few months, and it seems to me that here is a motion which, if it were drafted as legislation and passed, would be a direct impingement on the rights of the provinces. Nothing has been said by the hon. member about that particular aspect of the problem, which I think is a pretty important factor and calls for further study.

This motion, Mr. Speaker, probably will not come to a vote. I think the reason for this is that we have here a good concept, something to which it is very difficult to say no. It is extremely difficult to go on record as saying no to giving medical care to people who need it. So we start with a good concept, to which it is difficult to say no. In proposing the motion the hon. member puts us on this side of the house in this position: What would happen if we voted for this motion? It is true the motion does not bind the government, but it is surely an expression by the house, directed to the government, of an opinion that the government should give consideration to doing certain things. A favourable recorded vote would be a pretty strong lever toward directing government action, and I believe the government could be properly held to account if they proceeded to do nothing. Therefore we on this side are put in the position of accepting this motion, of voting against it, or of doing something else. If the motion is agreed to, as I have mentioned earlier the government will be put in the position virtually of having to do something about bringing forward legislation in this area. Because, as I say, it is very difficult to say no to a measure which contains the germ of an idea as good as this.

We are, thus, in the difficult position of having to find some other means of stopping this motion, because this particular motion cannot be allowed to pass. I do not think any member of the house could, in all conscience, allow a blanket resolution of this kind to go through, or assent to a piece of legislation without having some concept of the cost involved. As was pointed out by the hon. member for Carleton (Mr. Francis), this could turn out to be a piece of social legislation of great magnitude; it could have a significant effect upon the economy of the whole country and we would be negligent in our duty if we allowed it to go through without knowing how great this effect might be.

Many of us are reluctant to put ourselves on record as being against some course of action which would be a nice thing to be able to do. So, in all probability, we discuss the question and are horrified because there is no further time left. I believe this is not a particularly good process. Maybe if we were to get a vote on some of these measures there would be a better discussion of these points. But I do not think we should be required to vote on some of these issues, unless their full impact has been presented to us. In other words, if we on this side are to be expected to say yes, or no, the speakers on the other side of the house should, equally, be expected to present a fully rounded package for discussion; they should indicate the less agreeable side of the proposition—the extent to which taxes would need to be raised to put their ideas into effect, and so on.

I do not think this motion will, in fact, come to a vote, but if it did, in the circumstances I would have no choice but to oppose it.

[*Translation*]

Mr. Gerard Girouard (Labelle): Mr. Speaker, just a few words about this motion. Like the members who spoke before me, I did not fail to notice a lack of precision in this motion, with regard to the beneficiaries and, finally, with regard to the amounts; as some understand it, private members' hour simply gives the members an opportunity to express their views, but I am happy just the same to make a few remarks about the measure under consideration.

I am pleased with this motion because the house realizes that it has some merit and especially because it enabled some members opposite to insist, in the name of the constitution, on the rights of the provinces.

While I was listening to the hon. members opposite, I told myself that if they had shown the same zeal during the election campaign,

when the portable pension plan was promised, the province of Quebec would not have to make such a fuss to have the plan postponed.

I admit that in my opinion, the hon. members were right when they raised the big question of the constitutional character of the measure with respect to recipients. I think the motion could include the category of people having worked for the federal government and, simply, our old people who are in receipt of an old age pension.

If I suggested that this notice of motion would help setting up a pension plan beneficial to retired employees, the federal government itself could establish a plan and thus set an example for all employers throughout the country.

It is high time the government consulted with the provinces in order to provide our pensioners with the medical care they need. The government gave them a $10 pension increase, and I must admit, that this is very commendable. The main concern of our old people is, of course, housing and food, but as mentioned by the hon. member for Chapleau, they are mostly obsessed by the fear of illness. They fear that in a month or two, they will be ill and will have to face the cost of medical care.

In my opinion, the government should consider social legislation, providing free medical care to government pensioners, because in a developed society it is quite unlikely that our senior citizens would be starving and roofless, but it is still possible for our old fathers and grandfathers to be deprived of dental care, opthalmological or medical care, simply because they cannot afford them.

I take the opportunity afforded by this motion to suggest to the government, that when they decide to give something to our old people, they should grant free medical care rather than an amount of $5 per month which has been mentioned, even if I am also in favour of that suggestion.

[*Text*]

Miss Pauline Jewett (Northumberland): The hon. member for Labelle (Mr. Girouard) has just said his understanding of the motion is that it would cover retired employees of the federal government, and old age pensioners. I am somewhat confused because the hon. member for Chapleau (Mr. Laprise) in introducing the motion talked mostly about the disabled and the blind. Presumably he thought these would be the primary groups in receipt of free dental, medical and other care. Perhaps this only goes to prove what other hon. members have already argued this afternoon, namely that none of us is sure about who are covered by the phrase "federal government pensioners" in this motion.

[Mr. Girouard.]

However, rather than take the hon. member for Chapleau further to task for his definition, I think I shall congratulate him on the wisdom he has shown in a general way in implying, at any rate, that matters relating to health care are a national responsibility in this country. I have often felt in recent weeks and months that, increasingly, members of this house and, to a still greater extent, members of provincial legislatures, particularly in the province of Quebec, have been taking the view that matters relating to health and welfare are matters solely of interest and concern to the provinces. This has saddened me. I think these are matters which affect all Canadians and with regard to which we should have certain national goals, objectives and standards. Therefore, if the hon. member does not mind, I would congratulate him on bringing forward a motion of this kind which does, it seems to me, clearly imply a national responsibility in this field. It is true his proposals cover only one sector of the whole health field. Nevertheless it is clearly a large sector, as my hon. friend from Carleton has pointed out, if the term "federal government pensioners" is taken in its widest meaning. But, if I may interpret the hon. member's opening remarks, his feeling seems to be that this would only be a beginning, and that later we might move toward a comprehensive or universal scheme of health insurance for the country as a whole emanating from the federal government, undoubtedly in co-operation with the provinces.

Apart from congratulating him on sharing my feeling that this is a national responsibility, and that we must have national objectives and national standards in the field of health, I should like to say, as the hon. member for Hamilton South (Mr. Howe) said—here I am afraid I am being a little critical—that I feel the use of the word "free" is inadvisable. It strikes me that it does seem to smack a little of charity, of a government handing out largesse in a kind of benignant way to the poor, the elderly and so on. I am sure the hon. member did not intend it in that way, but when one phrases a motion as he has done the implication is one of condescension to a large number of citizens of our country and, of course, certainly none of us should feel condescending toward them.

The hon. member for Chapleau implied that the older citizens of Canada would not be in the difficult position they are in today in relation to the enormous costs of health care which practically all of them face, had they not had so much of their incomes taken away from them by taxes during their working years. It is through taxation primarily, of course, that we are able to redistribute

income in such a way as to make possible a health scheme or a social welfare scheme in this country.

My experience so far in the political field, and it is a short one, has been that often those people who have smaller incomes object the least to the paying of their share of taxation. I find that the people who receive larger incomes are usually the ones who grumble a great deal about taxes, and may try to find ways of avoiding them. The great bulk of the Canadian people, it seems to me, are quite well aware of the fact that it is through the payment of taxes that we get a redistribution of income and all the benefits. Indeed, to quote a famous justice, it is through the paying of taxes that one buys civilization. I do not believe the people think that one should simply take away taxes, and then let them do all the worrying about health care, and other provisions for their later years. Surely most citizens believe rather in a social welfare scheme of things whereby they will be able to make some contribution during their working years through taxes, and whereby they will be able to make a contribution more or less in accordance with their incomes that will then enable all members of the society to have a decent standard of living and, if necessary, of social security, including old age pensions, and so on.

To revert for a moment to the use of the word "free", as I say it does imply, whether or not the hon. member intended it, a kind of condescension of those who have to those who have not, which to my way of thinking is quite contrary to the way we really feel about matters in this country. I believe that all of us, no matter what our incomes, really want to make some contribution to the total welfare system.

This brings me to the final point I should like to make, and I will not say much about it because other members have mentioned it. It is that we do want to have in this country a universal system whereby all people of all ages, children as well as adults, will have contributed to a general health and welfare security scheme which will include them and of which they will be a part. Indeed, it is my hope that before the four years are up that we will be in power we will have introduced such a scheme in the health sphere to complement what we have already done in the hospitalization sphere, and what we are now in the midst of doing in the old age pension sphere.

Mr. J. E. Lloyd (Halifax): Mr. Speaker, I find myself in agreement with those critics of the wording of the resolution who have indicated that it leaves unanswered a number of questions as to the scope of its application. I believe the resolution perhaps fails to guide the government in that it refers in its wording to all federal government pensions. Here is a point where one finds a most serious omission. Indeed, if the resolution were passed the government would have to send it back to the house for clarification and identification of the thoughts that were in the minds of members of the house when they passed such a resolution. In essence, therefore, if the resolution were passed we would indeed be occupying the attention of the government to no avail, and this would simply result in a waste of time.

I share the concern of other speakers that certainly our society in 1963 must look at every avenue possible to provide social justice for its citizens. Indeed, the things we are now engaged in in many ways in trying to protect the free world are such—

Mr. Deputy Speaker: Order. The hour appointed for the consideration of private members' business having expired, the house will revert to the consideration of the business interrupted at five o'clock.

SUPPLY

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

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Pearson: Mr. Chairman, in winding up my remarks on the recent federal provincial conference I wish to say something in greater detail than I have up to the present on one matter which caused very considerable interest and some controversy; that is the formula which the federal government announced to alter the equalization payments to the provinces.

I admit we could have adopted a formula which would have equalized the revenues from the tax sharing sources up to that of the highest province, and if we had done that there would have been, presumably, no criticism that we were not carrying out a formula to which we had been committed previously. But if we had—and the conference certainly showed this—we would have been criticized by some members of the conference in other ways.

This was a conference, as I said at the beginning—and I quoted this afternoon from my words to that effect—at which

we listened to provincial views. We knew perfectly well whatever formula we adopted in this matter of equalization it would not please everyone. Our purpose was to find a course which, given the views of the federal government and the differing views of the provinces, would on balance be a reasonable course, a course that would in our view best serve the interests of all Canadians, and a course which would be put forward for one year only. I think in the circumstances we adopted the right course.

I think we arrived at a result which was reasonable. There are those who would have certainly preferred equalization to be based on the revenues of the top province to which indeed, and I repeat, we had committed ourselves; but when we heard all the provincial views, when we had all the facts and figures of economic and financial conditions in the provinces before us, we were impressed by the argument which was put forward for returning to the former system, by using the average of the two top provinces.

The difference in money terms between taking the top province and the average of the two top provinces is not very great. For next year that difference is estimated at something over $12 million in total, and while $12 million is a very substantial sum of money, in respect of this particular problem and spreading it across the country to all the provinces, the difference in respect of any particular province, except the province of Quebec, is not very great. If we had taken the top province it would have meant another $600,000 for Newfoundland, another $144,000 for Prince Edward Island, another $1 million and a few thousand for Nova Scotia, $832,000 for New Brunswick, $7,464,000 for Quebec, nothing of course for Ontario, Alberta and British Columbia, $1,200,000 for Manitoba and $1,250,000 for Saskatchewan.

Now, I am not making light of these figures, because they are in themselves important, but the point is that they are estimates for one year. For another year on that basis they might have been appreciably different, not so much in total but—the way things were moving—in the distribution between provinces. The point of using the average of the two provinces is that it gives more certainty and stability in the application of this principle of equalization, and while it does give considerable assistance to those below the average of the top two, it lessens year to year fluctuations in the equalization payments in which provinces can anticipate, and those fluctuations, according to our calculations, would have been greater if we had taken the top province rather than the average of the top two provinces.

[Mr. Pearson.]

So, listening to the views of the provinces as a whole, there were those who wanted to equalize to the top, there were those who did not want any change in the present formula, and there were those who accepted the equalization to the top two as the best formula in the circumstances.

In the same spirit, Mr. Chairman, we took account of the views of some provinces on the subject of natural resource revenues as a factor—and it is a factor which had been introduced by the previous government—to equalize grants.

Perhaps in the future we may find a better way of doing all this, a better way of equalization than that which has been attached to any formula we have been able to agree to in the past. The disparities in the yields of the shared taxes are accepted as the best single measure for the measurement of needs as a basis for equalization. But, as was pointed out by a good many provincial premiers, these disparities are not a perfect measure. The yields of most other provincial taxes vary in much the same way as those of the direct taxes that are chosen, but natural resource revenues do not vary in that way. They are very much greater for some provinces than for others, and in the provinces where they are highest they are, in a sense, alternatives to the revenues which those provinces might otherwise have raised in corporation income taxes. Therefore, with all the facts and figures and opinions before us, we concluded that the purpose of equalization would best be served by recognizing these facts, by recognizing this factor of natural resource revenues, but by modifying it. As I said to the conference, after listening to the views expressed:

> The balance of the discussion seems to us to be that such revenues—

That is, natural resource revenues:

> —should be taken partially into account. The best practical way to do this is, we have concluded, to adjust the equalization which would be payable to any province having natural resource revenue above the national average by deducting an amount arrived at as follows: one half of the extent by which the natural resource revenue per capita exceeds the national average, multiplied by the population of the province.

That was the formula that was included in the offer we made. While I admit, Mr. Chairman, that there was a certain dissatisfaction, and a strong dissatisfaction in certain quarters about this formula, I think in the circumstances it was the best that could be achieved. Dissatisfaction was expressed in very strong terms by the representatives of Saskatchewan, Prince Edward Island and Quebec. There was no formula, of course, in these matters which could have been hit upon which would have

satisfied everybody, but in our view this was the one that on balance was the most satisfactory.

In these ways, by putting forward this particular formula, we found what we believed to be the best way to restore better equalization to our tax sharing arrangements for next year. That was our purpose. But we were engaged—and let me emphasize this—not in making unilateral decisions but in a genuine process of consultation. In that consultation all the provinces—and, leaving equalization aside for the moment including the wealthier provinces—put to the conference a strong case for more revenues generally. As I said this afternoon, we recognize their increasing responsibilities, especially in the field of education. The existing tax arrangements put into effect by the previous government, which provide an extra percentage point each year in the abatement of the federal tax on personal incomes, recognize that situation to some extent.

So it was our duty to weigh the provinces' arguments for a bigger increase within this formula, put forward most emphatically by the premier of Quebec, against the financial needs and problems facing the federal government and expressed in the federal budget. We came to the conclusion, after listening to the case put forward by the provinces, that the best interests of the country would be served by making some further increase next year in the tax shares of the provinces. As the committee knows, Mr. Chairman, the federal tax abatement which has remained unchanged since its inception is that of succession or estate duties. We decided that the most appropriate change to make at this time would be to increase that abatement from 50 per cent to 75 per cent.

This will free approximately $32 million of revenue for the provinces next year. The main purpose of this change for next year was to do something to meet the needs of the provinces, especially, in this case, those provinces which do not benefit at all from equalization. Therefore the best thing to do, within the general limitation of what is financially possible next year, was to provide this extra abatement of federal tax without at the same time adding an additional element of equalization, to which we had not been committed.

There are, on the one hand, critics who say that equalization ought to have been carried further. There are some who say it should not be tampered with at all at this time. On the other hand, there are those who complain that the extra per capita revenue which the provinces will receive, as a result of the changes we are proposing, is greatly different for different provinces. Well, Mr. Chairman, that is true; there is no doubt about that. That, indeed, is the point of the changes. There was not, in our view, adequate equalization before. The effect of the changes is to make it, not perhaps perfect but, we believe, considerably more adequate.

Therefore, the changes which would be made as a result of the formula we have put forward—including the new formula for equalization, the Atlantic provinces adjustment grants, additional grants to Newfoundland, the additional succession duty abatement of 25 per cent and the natural resource factor in the equalization formula—would mean that with this change, Newfoundland would receive $3,282,000 more, Prince Edward Island, $599,000 more, Nova Scotia, $5,742,000 more; New Brunswick, $5,558,000 more; Quebec, by the application of this formula, $42,716,000 more; Ontario, $14,416,000 more; Manitoba, $7,023,000 more; Saskatchewan, $2,469,000 more; Alberta, $1,722,000 more; British Columbia, $3,921,000 more—making a total of $87,448,000.

I make no claim, as I made no claim this afternoon, that the fiscal arrangements we have made for next year are either perfect or final. That was not the purpose of the conference. There will be other conferences, and the next one quite soon. Consultation will be a continuing process. What we have achieved by this conference is to restore a better concept of equalization in our fiscal arrangements. We have made a large step forward toward full equalization. We have helped to meet the pressing fiscal needs of the provinces as a whole pending, if we can find it, a better solution to this problem of fiscal relations. In searching for that solution, we are now engaged.

We have done this at a conference where there was a great deal of harmony and a desire to co-operate and work together.

Some hon. Members: Hear, hear.

Mr. Pearson: We have, in the steps we have taken, preserved the essential interests of the government of Canada, which must be preserved. We have set ourselves, I believe, on the path of a successful and effective co-operative federalism, the path that is fundamental to the unity and progress of our country.

Mr. Martineau: Mr. Chairman, I wonder if the Prime Minister would answer a question?

Mr. Pearson: If I can.

Mr. Martineau: Does he envisage that it will be necessary to effect early changes to the British North America Act in order to implement the co-operative federalism of which he spoke?

Mr. Pearson: I cannot answer that question, Mr. Chairman. I would hope it could be done within the confines of the present British North America Act; but if constitutional changes are required and they are agreed to by the provinces and the federal government, of course they could be made.

Mr. Diefenbaker: Mr. Chairman, this evening I do not intend to go into too much detail or review what was done at the recent conference, excepting in a general way. It may be, as a result of what the Prime Minister has said and what will be said after I speak, that the committee will continue to debate this matter, in which case I will have an opportunity later during the progress of the discussion in committee to deal in particular with a number of matters referred to by the Prime Minister. I say at once that his concluding words, while well chosen and having merit of a crescendo in hope and aspiration, are exaggerated beyond anything that I have heard descriptive of any benefits that may have flowed from this conference.

I say at once that this conference was preceded by pre-conference ballyhoo designed to lead Canadians to expect a solution to their problems under a new confederation formula. From day to day there were outstanding examples of hyperbole to build up the conference in advance, to create a crisis atmosphere as it were, to frighten Canadians that confederation was on its last legs. During the course of his opening words to the conference, the Prime Minister used such expressions as "a new beginning", in reference to what was about to be placed before the conference; a new chapter. In the light of what has taken place, I can only say that the hopes and anticipations that this conference was to do something that no other conference had ever achieved, have been dashed, and the event has proven to be a highly propagandized one which did not achieve the results which were expected. As a matter of fact, it looked for several months in advance that a banquet was going to be provided for the provinces. Well, several of them went home hungry.

I can only review this matter by going back a few months prior to the election campaign and placing before the committee something of what was said at that time, and noting the degree to which the rash promises were dissipated in the light of what took place at this conference. In his opening speech the Prime Minister said, in effect, that the conference would shape the direction of Canadian confederation for generations. Tonight he says it shaped Canadian confederation for one year.

[Mr. Martineau.]

Now, sir, I am going to refer to something that I think has been an effective outcome of this conference, and that is that this government has learned there is such a thing as consultation to make confederation effective. Consultation with the provinces on these matters that affect the provinces should be made in advance of action taken by the federal government. When the results will be felt not only by the federal government or when action concerns joint programs between the federal and provincial governments, there should be the widest possible measure of consultation. I suggest that when the next conference is called there should be a representative for the northern territories. Over and over again, the hon. member for Yukon and the hon. member for the Northwest Territories have been asking for action in that direction. Only within the last few days the Yukon legislative council passed a resolution requesting that a representative councillor should sit in as an observer at such a conference. I think that is something to which favourable consideration should be given.

We have contended that this government, in a cavalier manner, has been disregarding the basic principle of confederation, which is consultation. My hon. friends opposite have said that there was no basis in fact for our demand for consultation. I have always found that the best witness one can call is a witness that is not unfavourable to the side against whom an argument is being advanced. I call as my witness in support of the stand which we have taken in this connection the Hon. Jean Lesage, the premier of the province of Quebec. I ask the pardon of the committee for reading these lengthy remarks into the record. The length rather denies me doing that under normal circumstances, but I know after I have read this the committee will agree that it has a place on our records.

During the course of the past few months, we have had several unfortunate examples of a lack of consultation; the municipal loans fund, the pension plan and the designation of depressed areas eligible for special economic aid. This latter measure, because it considerably modifies depreciation allowance rates, constitutes a serious onslaught on the fiscal and administrative economy of the provinces, for without their consent, it influences their basis of taxation.

These views, now expressed by the premier of Quebec, represent the stand we have consistently taken throughout this session.

Thus, it is one government which—

He is referring to the government sitting opposite.

—without previous consultation, will determine the taxable income of another. It is true that Ontario and Quebec could refuse to grant this accrued depreciation allowance since they themselves collect corporation taxes. However, by acting in this way, one would reproach them, for creating

many useless complications and with not co-operating with the federal government and the other provinces.

Now, the next paragraph reads as follows:

An immense confusion which persists to this very day—

This very day was November 25, 1963.

—is the result of all these unilateral decisions.

You will notice, sir, that "all these unilateral decisions" were those made by the present government in a period of seven months.

Too late we realized that the goals of the federal government did not necessarily meet with those of the provinces. It has provoked perfectly understandable spine-stiffening. This offensive, with centralization as the target, inevitably gave rise to violent reactions.

I pause now to explain that here the premier of Quebec said the present government is a centralizing government. This is exactly what we have been saying. We have been pointing out his conduct and his policies. I imagine that the smile now on the Prime Minister's face was not there when Mr. Lesage was giving him this lecture.

Mr. Pearson: I smiled because you said that we had capitulated to him.

Mr. Diefenbaker: I have touched a sore point to make the Prime Minister smile like that. It is the centralizing activities of this government, not the previous government, that Mr. Lesage is dealing with.

Such experiences must never be repeated for the very essence of the confederate system shall disappear.

That is the warning of a Liberal premier to a government which, in a few months, has earned his condemnation for its centralizing proclivities. It is no longer sufficient to make honourable amends before harm is done and to promise that, in the future, intrusion in fields of provincial jurisdiction will be avoided. For let us not forget that the harm has been done and that it constitutes a precedent that no one will fail to invoke in the future, no matter what happens. These were our views regarding the centralizing conduct of this government in the legislative measures which it introduced and to which the Prime Minister has made reference.

Quebec—and several provinces share its opinion in this respect—is definitely opposed to the federal government's jostling the priorities of the provinces by unilateral action.

Then it says, in order to sweeten the dose, probably well intended but not always well measured:

This is obvious in the case of regional development and the locating of industries, which fields are clearly of the provincial jurisdiction. We do not conceive the role of the federal government as one giving direction to and determining the policies which the provinces should follow in fields of their own jurisdiction—

I do not have to make any observations on the statements made by the premier in this regard. However, throughout the period of the last several months when we have raised these objections the Prime Minister and the President of the Privy Council, who is the epitome of knowledge about everything connected with legislative distribution of powers, in his own estimation, gave support to what was done, which denied the basic principles of confederation. That this government has learned; for it now agrees, as the Prime Minister has pointed out in the most fulsome terms, there is a need for consultation. The communique says in this regard:

It was agreed that both the federal government and the provinces would take steps to improve their arrangements for close and continuing consultation.

There was general agreement about that.

Now let me deal with some of the matters which were considered. The provinces agreed to provide their share of old age assistance and pensions for the blind and disabled. There is nothing unusual in that. As to the pension plan that was advanced here with such a shrill burst of trumpets, that plan no longer exists. The federal government has retreated from its original arbitrary position and an advance will now be made toward the achievement of a comprehensive plan because of that retreat.

I come now to the question of equalization, and also to the general fiscal arrangements which have been made. We find that great changes have taken place in a few months. A few days before the election an ultimatum was given to Ottawa by Mr. Lesage. Not one paper in Canada failed to describe it as an ultimatum. The Canadian Press report of the Ottawa *Journal* is dated April 6 and says:

Premier Lesage last night laid down a virtual ultimatum to the next federal government to turn over a minimum of 25 per cent of income and corporation taxes collected in Quebec—

In a budget speech highly flavoured with election spices Mr. Lesage reviewed the fiscal policies of the four federal parties. ...

The premier gave the next government, no matter which party forms it, one year to meet Quebec's demands on federal-provincial fiscal problems.

Another report in the *Financial Times* is as follows:

One year to act, "or else". Quebec is carving out a new role for the provinces of Canada. In an almost pugnacious speech the premier gave the next federal government 12 months to meet his demands—

Specifically, Mr. Lesage asked, at the least, for 25 per cent of all personal income taxes collected from residents of the province, 25 per cent of corporation taxes, 100 per cent of all succession duties.

He intends to get them.

With reference to tax sharing conferences Mr. Lesage said:

"I have no intention of repeating the same—results"—

He left an ominous but undefined "or else".

What does that mean?

Then Mr. Levesque had something to say, which is reported in the Montreal *Gazette* for April 25 as follows:

Natural resources minister Levesque said last night acceptance of Quebec's tax ultimatum by the federal government is "probably the last remaining chance" for confederation.

He warned that if the new federal government fails to act within 12 months on the "minimum demands" on tax sharing spelled out by premier Lesage in his budget speech of April 5, "I think the supreme chance for confederation will have been lost—and for good".

The other day I asked the question, before I had seen the attitude which was being taken by the premier of Quebec, whether or not the ultimatum would be accepted by the federal government. No objection was taken then; but it was said earlier today that there was not an ultimatum. I have before me *La Presse* for November 22 which says:

M. Lesage retire son ultimatum.

"Mr. Lesage withdraws his ultimatum." Is that not a strange thing, Mr. Chairman? From fire and brimstone in April to honeyed words in November. I find it difficult to understand this change. Were the arrangements made as the premier of Quebec and the leader of the Liberal party met two or three days before the election? Were the arrangements made while the premier of Quebec, full of fire and fury, was saying these things?

At the same time, an arrangement was being made between these two: Don't worry about it; all will be well. The fury and the forcefulness of April suddenly became the joyfulness of November. Indeed, he has not secured the things he said he was going to get—"or else". He ended the conference by saying: I will be with you next May or June, or whenever the next election comes around. Is that not the strangest transformation in all history? He said: I will support them; this is so good that I will stand with them whenever the next election comes.

What happened? What happened in the intervening months? Why did this change take place? I read in Saturday's issue of *Le Devoir*: "Lesage is unhappy but he intends to recoup in March". So that is the beginning of the story which is so difficult to understand. Why the earlier ultimatum? Why the subsequent retreat? The Prime Minister says this is a good deal. He says the premiers were not all happy about it. Mr. Speaker, the honey may be sweet at this time, but the bee will sting. Oh, it is an interesting revelation. If only the Prime Minister would just be frank and tell us what they did as they sat down together to bring about this metamorphosis in the thinking of the premier of Quebec.

Today, the right hon. gentleman says this is a fine deal which has been brought about on equalization. He says the purpose of these grants is to bring about an equalization in the per capita revenue of the provinces from direct taxes. He promised that equalization revenues would bring the recipients up to the position of the highest provinces. That was the undertaking. That was the promise. I have it here in two or three places. Why the change? What came about? Well, he said, it came about because, in an attitude of mutual respect, we discussed these matters. He undertook that the equalization would be carried out on the basis of the per capita taxes of the highest province in Canada. A while ago he gave us the results which would have flowed from the carrying out of that promise. He said we were wrong in what we did with regard to equalization, and he undertook to make a change, an undertaking from which he has now completely retreated. It is difficult to understand what may have happened in the course of the last few weeks to bring about this change.

In 1961, the Liberal convention said equalization should be on the basis of the highest province. All through the election campaign the right hon. gentleman said this, and those sitting around him said the same thing. When he went to the conference the other day he said he thought this was the proper course. This evening he gave a record of what the distribution of the moneys would have been had he followed that course. Why the change? Today he would have us believe it came about as a result of consultation. A few weeks ago he indicated the hopes ahead of this conference: Canadian federalism to be fixed up for a generation. This evening he admits that what has been done is simply a makeshift, an improvisation and a postponement for another year. That admission indicates that this government does not yet know where it is going on this problem. But it does know that it has no intention of carrying out the undertaking which it made from 1959 and 1960 to the election in 1962 and 1963. What has been the distribution? It is a case, after all, of the mountain in labour which brought forth a mouse. Eighty seven million dollars—

Mr. Pickersgill: Is that a mouse?

Mr. Diefenbaker: It is, compared with the larger animal envisaged by Mr. Lesage. He said he was going to get $150 million as a minimum. What the total for Canada would have been, had he done so, I leave to those who know something of billions. The right

hon. gentleman and his friends changed around. They produced $87 million. They did not produce that sum until they decided they would add an extra 25 per cent to the share of the provinces in succession taxes. If they had not done that, Ontario would have got nothing. So they said: we shall have to give them something. So they came up with this proposal at the last moment—a 25 per cent addition to the 50 per cent of succession duties already provided for.

I do not intend to re-read the distribution, as a result of the action taken by the government, in the various provinces. But had the Prime Minister carried out the promise he made, the distribution which would have been in effect when the agreements are entered upon would have been far different and the smaller provinces would have received a greater share of the $87 million. But it had to be changed. A moment ago the Prime Minister said $87 million did not mean very much.

I intend to give the figures to show what we did during our period of office in this field of dominion-provincial relations. To begin with we increased the 10 per cent share of personal income tax and corporation taxes to 13 per cent. We were not obliged to do that, for the agreement would have been in effect for five years more. We made available to the Atlantic provinces $25 million in grants. Again, we were not obliged to do that. The agreements were still in effect, but we desired to give the maritime provinces a reasonable equalization opportunity. After all the promises which have been made during the last few months about how significant this conference was going to be, $87 million is the final amount. Let me compare it with what we did during our period of office in assisting the provinces to carry out their responsibilities. In 1956-57, the total amount of unconditional grants was $552.6 million. The total amount of conditional grants was $111 million. The total amount of payments for the benefit of provincial institutions, university grants and grants to municipalities in lieu of taxes on federal property was $25.7 million, or a grand total of $689,300,000. But I am not going to take 1956-57 as the actual figures, because there were changes made in the spring of 1957, as I recall. In 1957-58 the total amount for unconditional grants was $658.4 million, the total amount for conditional grants was $144.8 million, the total amount for payments for the benefit of provincial institutions was $34.1 million, or a grand total of $837.3 million.

In the following year the over-all total was $1,037.9 million. In the next year, 1959-60, the total was $1,264.2 million. The 1960-61 forecast was $1,326 million and for 1961-62 the estimate was $1,460 million. In other words, not taking into consideration the lower figures of 1956-57, during our period in office from 1957 to 1962 we increased the amount of unconditional grants to the provinces, conditional grants and payments for the benefit of provincial institutions by $623 million. That is one of the reasons why we had a deficit during that period of time. If it had not been for our granting extra assistance to the provinces and the extra payments we made throughout the entire period of time we would not have had a deficit except in one year. There was an increase, as I say, of almost $700 million over 1956-57. Compare that with what is being done here. There were great hopes, great expectations; but all we have is the distribution of a total amount, including the increase in the share of succession duties, of $87 million.

I am not going to place on the record what the amounts of the increases in the various provinces were that we brought about during our period in office, when we recognized for the first time in this country the necessity of the provinces being placed in a position where they could properly carry out and discharge their responsibilities within the constitution of Canada. I should like to know what actually took place that resulted in the failure in November to carry out the undertakings of April. What promises have been made as to what will be done next March? Certainly all that came out of this conference was the recognition by the government that no longer can it arbitrarily trample on the rights of the provinces, but must consult with them. That is all to the good. That is what we have been trying to teach this government since the session began. They have learned the lesson now. They learned it in connection with the municipal grants. They learned it in connection with the pension plan. They have learned it now in other fields.

Turning to the communique; if there ever was a document conceived with a desire to gloss over the shortcomings of the conference it is this. The communique reads:

> The governments of Canada and of the ten provinces of Canada met in Ottawa—

I am leaving out the surplus words.

> Their discussions were marked by a common recognition that the extent and the diversity of Canada create unusual problems in the discharge of the increasing responsibilities of government for the general benefit of all Canadians.

They did not need to meet for that. Everybody knew that.

> There was a warm mutual recognition of the differing problems faced by each province and by the federal government.
>
> The conference in this spirit agreed that government in Canada must be a co-operative federalism

which provides complete, exhaustive and continuing examination of the problems that fall within the jurisdictions of its different governments.

That is what we have contended for. It is agreed that there should be improvement with regard to close and continuing consultation. Then it deals with shared cost programs. Why, only a few weeks ago, these were about to end. Whatever provinces wanted to end shared cost programs, they would end; but now they come out with this.

The conference therefore agreed on the particular need for a continuing review of fiscal arrangements and shared cost programs and the relation between them. It was agreed that these matters would be the subject of joint study by officials, in preparation for another session of the federal-provincial conference in the early part of the new year.

With regard to altered equalization payments the communique says:

These changes are intended to take effect in the next fiscal year. The provinces stated their views on this proposal.

They did not agree to them, as the Prime Minister admitted today. Then the communique deals with a federal lottery and proposals for legislation to permit the Canada-wide operation of agricultural marketing boards. There was general agreement in connection with pension increases for old age assistance and blindness and disability allowances. Then it ends up with a word on Indian and Eskimo affairs, on which there was general agreement on the objectives of policies designed to achieve closer association with the life of other Canadians. Finally, the communique ends with these words:

The conference ended with the expression by the heads of all delegations of their determination to work in co-operation for the strength and welfare of Canada and its provinces.

They could have written 99 per cent of the communique before they started. This conference was promoted as another example of the Pearson plan. We have had the plan drawn in a broad panorama today, but when the opportunity came to place that plan for the future of confederation before the representatives of the provinces, the government ended up with this small and, compared with the increases we gave to the provinces, insignificant increase of $87 million distributed in the manner set out by the Prime Minister.

Sir, they have learned one lesson, that they must consult, and that is to the good. Beyond that we will have to wait until March to ascertain what deal, if any, has been made. In the months of April to November Mr. Lesage was breathing brimstone, but at the meeting the ultimatums suddenly evaporated and in place of what he was going to achieve, this comparatively insignificant result is attained.

[Mr. Diefenbaker.]

No matter what eloquent or grandiloquent words the Prime Minister has used, what was achieved was a denial of the undertakings of the Liberal party and of its pledged word in connection with equalization grants. Then they ended up with the sop on succession duties so that they would be able to say, "Well, we have taken the first step in the direction of the demands that were made on April 5 by Mr. Lesage." They call that agreement among the provinces, but the provinces could do no other than say, "That is what we are going to get. We will now return home and there will be further consultations. Possibly next April the government will have a plan to place before the provinces for consultation."

Mr. Gregoire: Mr. Chairman, I have listened with great attention to the speech of the Leader of the Opposition. It reminds me very much of the type of speech that the Prime Minister himself used to make when he was in opposition. I only regret that the Leader of the Opposition did not make the same statements a year ago, because then we might have had some results. I have listened to him telling us about everything they were supposed to have done, but when we look at the results, after five years of the Conservative party being in power, we see that they were very poor.

I also listened to the speech made by the Prime Minister this afternoon. Since becoming a member of this house I have always found that he can make fine speeches with nice sentences and good words, but they are only words. As he himself said, he arrived at the inauguration of the federal-provincial conference with no solution. He went there and listened, and then he claimed he produced some solutions.

[*Translation*]

I have here, Mr. Chairman, a few remarks made by the right hon. Prime Minister (Mr. Pearson) at the opening of the federal-provincial conference:

It is my hope that the well-defined policy which the federal government and the provincial governments need in matters of common interest will take shape during this conference. Such a policy will result from our discussions rather than from statements made as suggestions to give our talks a start.

And in his speech this afternoon, the Prime Minister of Canada said:

We could not come with a final answer to that problem in a conference which lasted four or five days.

But with regard to this matter, the Prime Minister might be blamed for failing to acquaint himself, before the conference, with the requests and suggestions of the provincial

governments, for not having studied them so as to come with some solution to the federal-provincial conference.

In his brief, the premier of Quebec makes on several occasions, a comparison with the priority needs of the federal government. But at this time, provincial needs have the priority.

A little further on, we find in this brief:

> After the war, and for some ten years perhaps, the Canadian economy had to readjust itself to new conditions.

And looking at those comparisons between federal priority needs in wartime and provincial priority needs in times of peace, we realize that there is now a question of developing human capital in this country, which has been alluded to many times, and, today, the premier of Quebec, at least, seems to realize that there are some needs which come before national defence.

When the Prime Minister (Mr. Pearson) tells us about federal priority needs and about provincial needs, he should not forget that the war ended long ago and that there are now provincial needs which come before his own needs and before federal expenditures at this time.

Further on, the Prime Minister of Canada said that:

> The discussions involved are not necessarily a matter of principle as there is agreement on the principle, but rather a matter of priority and possibilities.

It would be a good thing to know what really are the priorities. As I said earlier, we shall see that the provinces have much more urgent needs, which must come before the needs of the federal government.

Possibilities are also mentioned. But, Mr. Chairman, it is up to the Prime Minister and his cabinet to find the financial and economic possibilities to meet the country's responsibilities.

After all, it is the Prime Minister and his government who have control over the destiny of the country. In the field of agriculture at the federal level, in the field of national defence, or in that of external relations and, above all, in the financial field, it is the Prime Minister who is responsible for the destiny of Canada. Together with his cabinet, he must see to it that Canada develops a system which will make it possible for her to rise to our potentialities, to make—as it is often put—financially possible what is physically feasible.

In considering the results of the federal-provincial conference, one hears, and one reads headlines such as this:

> Ottawa has granted $87 million, out of which Quebec will pocket $42 million.

On the face of it, it would seem that we are going to get half of these $87 million. We read:

> Quebec requests and gets half of the cake.

It thus seems that the federal government has yielded to Quebec's requests. I know that it is the impression one gets from such results. The other provinces get the erroneous impression that half of the pie has gone to Quebec.

I also notice—and this, to my mind, is a failure—that this conference runs counter to the current tendency, which is that Quebec should have its own taxation rights, its sources of income, in order to spend that revenue as it pleases. Quebec will spend what it collects. That seems to be the tendency in the province of Quebec. But what does Ottawa do? Ottawa keeps on taxing as before. Ottawa taxes, gives to the provinces and the provinces do the spending, but always through Ottawa.

The province of Quebec, as well as the other provinces, still appears to be a beggar, coming to Ottawa hat in hand. Ottawa continues to control income sources, to tax, to give to Quebec money which the latter can only spend according to the stipulations laid down by the federal government. It is still the old system, a system which the President of the Privy Council (Mr. Lamontagne) has called co-operative federalism. But what does it mean in fact? It means a centralizing power of control. Ottawa controls revenue sources, Ottawa controls taxation and, when it pleases, Ottawa relinquishes part of it to the provinces, which, willy-nilly, must make the best of a bad bargain.

Mr. Chairman, I should like to discuss another aspect of that federal-provincial conference. Ten provinces are brought together at a round table. The ten provinces come with various requests, various needs, and when they are finally set at variance, it is a good opportunity to tell them: "You do not agree." That situation is invoked to turn down the requests of the ten provinces. In fact, having set them at variance and having placed them in difficult circumstances, advantage is taken of that fact to give them practically nothing.

That is no way to solve problems between Ottawa and the provinces. I think that each province should settle its problems with Ottawa. At this time, Quebec has a justified claim. The problem of the province of Quebec should be settled with that province alone, not with the nine other provinces, whose problems could be settled later on. The problems of Ontario, British Columbia and Prince Edward Island are not the same as those of the province of Quebec.

There should not be set up, like the last time, a meeting of the ten provinces, which do not agree and which bring forth contradictory requests, in order to take advantage of the situation to turn everyone down. Under those circumstances, the negotiation system does not rest on an honest basis. The problems of each province should be settled with each one separately.

When I consider the results of this conference, I cannot help remembering the sad political history of the province of Quebec: "Grits in Quebec, Grits in Ottawa". Poor Quebecers. It is always Quebec which is the loser; it is always Quebec which is taken in. We have experienced that situation in the past: "Grits in Quebec, Grits in Ottawa". What was the result? Our province was always the loser. The Quebec people were always the losers. And the same thing is happening again.

Let us review the events which occurred before the last general election. There was the ultimatum, and this nobody can deny. The ultimatum was served on April 5, and Premier Lesage confirmed that himself on television, using the word "ultimatum".

The Minister of Justice (Mr. Chevrier) admitted, on May 27, he had heard Mr. Lesage speaking on television about an ultimatum. In fact, the premier of Quebec uttered the word "ultimatum" before millions of French Canadian televiewers, besides using it in the legislature, a fact which was confirmed later on by some ministers of the provincial cabinet, among whom were Messrs. Rene Levesque, Gerin-Lajoie and Pierre Laporte.

Mr. Gerin-Lajoie, more than anyone else, wants to have a bigger slice of taxation, or, otherwise, he will be forced to tell the school boards to increase their taxes. Indeed, school taxes have increased by $1 to $1.25 per $100 of assessment in the province of Quebec to reach $6 or $7 per $100 of assessment; taxes increase so much that Mr. Gerin-Lajoie has become public enemy number one. At first, Quebec wanted better tax sharing, but suddenly we stop hearing about an ultimatum. They speak of requests, as a basis for discussions in order to make a claim at the federal-provincial conference. They got practically nothing. They have $42 million but no taxation rights. They leave everything to Ottawa. That is exactly what has happened in the political history of the province of Quebec, when it was "Grits at Quebec, Grits at Ottawa." Once again, the province of Quebec is the loser. Arrangements were made between the two, behind the curtains. Informal meetings are held and arrangements made, but the province of Quebec is always the one taken in.

Mr. Chairman, I can say that the citizens of the province of Quebec, who still had some confidence in their premier, are quite disgusted with the results of the federal-provincial conference. Once again, they have found out that the premier of Quebec came to Ottawa to yield all along the line, as his predecessors had done in the past, before the centralizing schemings of the federal government.

The province of Quebec has always been convinced that the Liberal politicians she sent willingly to Ottawa or Quebec deserved credit for their wonderful promises, but, on the side, they always saw to it that the province of Quebec ended up the loser.

The ultimatum was given in April and will expire next April. Another federal-provincial conference will be held next March. A one-year delay was agreed to and will expire on April 6, 1964.

I hope that, at the next federal-provincial conference, the Prime Minister will not simply try to brush discussions aside, then adopt a certain policy and say that a few days were not enough to take decisions. I hope that, at the next federal-provincial conference, the Prime Minister will not arrive with high sounding phrases as he did at the beginning of this one, but rather with decisions and facts.

In my opinion, what the province of Quebec is asking for is only a beginning: 25 per cent each of corporation and personal income taxes and 100 per cent of succession duties. These are only initial requests that will go on increasing until 100 per cent of direct taxes are obtained.

In my opinion, the best brief submitted at the federal-provincial conference is still that submitted by the premier of British Columbia, Hon. Mr. Bennett, who said among other things:

[*Text*]

British Columbia believes it is time that independent decision on all matters other than those of genuine national and international concern be restored to the provincial legislatures. We submit that much of the strain of recent years on national administrations has arisen from a failure on their part to recognize the appropriate boundaries of their sphere of operations.

[*Translation*]

The premier of British Columbia, Mr. Bennett, said a little further:

[*Text*]

One of these rights, designated as an "exclusive power", was the use of direct taxation within the province.

[*Translation*]

Direct taxation is a right that belongs exclusively to the provinces. And I had the

good fortune to find a statement made by the federal minister of finance during the first world war. Premier Bennett quoted this statement from Sir Thomas White:

[*Text*]

"The income tax is peculiarly within the jurisdiction of the province and is a suitable tax for the purpose of the province—

I have placed no time limit upon this taxation measure; but I do suggest, and I should like this suggestion to be on *Hansard*, that after the war is over this taxation measure should be deliberately reviewed."

[*Translation*]

And here is the request submitted by the government of British Columbia, a request that we fully support:

[*Text*]

British Columbia requests the government of Canada to vacate progressively the fields of direct taxation, so that the provinces may reassert their fiscal responsibility and rights of confederation. British Columbia urges the federal government immediately to plan and implement the necessary steps.

[*Translation*]

Here we have another province, besides Quebec, which claims the total return of direct taxation to provincial governments. The Quebec premier was also expressing these ideas. He enumerated these provinces' needs and he proved beyond doubt, at least in his brief, that the provinces' needs were far more urgent than those of the federal government.

In fact, here is what Premier Lesage stated on page 10 of his brief:

The attainment of this objective, whose results will be beneficial to the country as well as to the provinces, implies that the provincial governments' activities must be considered before some federal projects. It is from this standpoint that we can assert that provincial needs resume the priority which had been temporarily given to the central government during last war.

Here again is a hint of the excessive expenditures of the present government towards national defence at a time when our country has more urgent needs.

The Quebec premier mentioned also the debts which are forever increasing because provincial governments do not have enough income to carry out all the projects they should.

For instance, when the Liberal party was chosen in the province of Quebec, the provincial debt amounted to $305,905,000; it now amounts to $644,962,000. By this, I mean the net consolidated debt.

The Quebec premier mentioned also the needs in the education field. Is it going to be suggested that those requirements are less important than those of national defence? What about hospital insurance? And the development of natural resources in order to promote economic recovery? Will it be suggested that the needs of the federal government are as important as those?

Mr. Chairman, when one thinks of all the wasteful expenditures made by the federal government, in many cases, I cannot help but feel that the provinces must recover their sources of income, because to them belong the main fields of activity which can enable them to develop and, in this way, to help the country.

What about the minimum requests of the province of Quebec? This is what Mr. Lesage stated, as reported on page 46 of his brief:

We are asking once again as minimum taxation powers: 25 per cent of personal income tax, 25 per cent of corporation taxes... and 100 per cent of estate taxes.

This was the minimum, and the premier added:

They actually represent for a us a bare minimum and they surely not exceed what might result from our current work on fiscal matters.

Mr. Lesage also stated:

It is obvious that the compensation, that is, the equivalent amount the provinces would derive if the federal government were to withdraw its financial contribution to joint programs, has nothing to do with the distribution of taxes as stated in our request for 25-25-100. This is an entirely different matter.

Mr. Chairman, there is talk about restlessness and turmoil within the province of Quebec. In fact, not very long ago, the present Prime Minister stated that he did not wish to be the gravedigger of confederation, the one who would preside over the division of Canada. But if he does not want to do so, he should refrain from making bombastic speeches and try to find solutions. He should begin by solving the problems. Time for speeches is over; now action is what is needed.

The Prime Minister spoke of certain Canadian claims concerning a national flag and a national anthem. This afternoon, a government member introduced a bill respecting the adoption of a national anthem. We were then willing to give full credit to the government for such a measure and to pass the bill. It would have taken five minutes.

The Secretary of State (Mr. Pickersgill) was asking us to vote one twelfth of the main estimates, that is several hundred million dollars in a few minutes. We could have as well studied the bill concerning the adoption of a national anthem this afternoon, more especially as it was proposed by a government member. Nobody was against. But no, it was alleged that there was not unanimous consent. The Prime Minister knows quite well that his party would have had obtained political credit. But still again words and no action.

Mr. Chairman, when we reach the period devoted to private members' business, we will

ask that this bill be given priority. And the Prime Minister should encourage the adoption of this bill, especially as it has been introduced by one of his supporters. We would then have at last some positive action. But why must we always wait until it is too late?

The present Prime Minister should remember that the province of Quebec long advocated bilingual cheques. It was put off for 12 years and then suddenly, on the eve of a general election, the former prime minister who has now become the Leader of the Opposition (Mr. Diefenbaker), decided to give in. However, we had been requesting that for so long that Quebec's reaction was: "Too little and too late".

Is the Prime Minister going to delay the solutions until he also is told that it is too little and too late?

Now is the time to act.

The province of Quebec is willing to stay within confederation and to live in harmony with the other provinces and the other great ethnic group which makes up Canada but, above everything, it wants to develop by its own means. It is as simple as that. When it is given the chance to develop itself, when it has its own sources of income and can spend its money as it sees fit, then, Mr. Speaker, will both cultures peacefully coexist in Canada.

The cabinet too often forgets that, and I feel that is the fault of the President of the Privy Council (Mr. Lamontagne) who, in a very confidential report to his cabinet colleagues, said the following:

French Canada is not proud enough to act big.

In a 200-page brief he submitted to the cabinet, the President of the Privy Council also stated this:

The people of Quebec have no time for great ideals.

This is what he said lately:

Quebec stands to lose if it separates from the rest of Canada.

As if that were the end of the world.

All that implies that the province of Quebec can neither run its own affairs nor develop on its own. But if our sources of revenue were left to us, and also our direct taxation system, if we were allowed to collect and spend ourselves instead of always seeing the federal government interfere with our business, we might succeed. So, if the province of Quebec had someone to blame, it would not be the federal government but itself.

Then harmony would be possible between the two great races that live in our country, but not otherwise.

[Mr. Gregoire.]

The ultimatum that was delivered a year ago enabled everybody to procrastinate for a while and wait to see what would happen.

When the province of Quebec was content to crawl and beg, as it always did in the past, it got nothing. We were happy to see at last a man who demanded, who claimed and did not merely ask: "Would you—please—by any chance, if you would be kind enough—" It was a demand.

The present cabinet should not deceive itself about the consequences of this ultimatum, for I am the first one, Mr. Chairman, to tell the members of the cabinet and the Prime Minister, that if the country refuses to mend its ways and let the province of Quebec develop itself, I for one shall not hesitate to break up confederation.

Let the hon. members on the side of the present cabinet laugh if they want to. If they do, it is because they try to deceive themselves, not to see the forthcoming day of reckoning, because the province of Quebec will not accept indefinitely the system imposed on it or her present situation. What happens when it wants to have a heart-to-heart talk with the federal government? Ten provinces, 11 governments are called for a meeting, and the province of Quebec is overwhelmed.

The Chairman: I am sorry to interrupt the hon. member, but his time has expired.

[*Text*]

Mr. Douglas: Mr. Chairman, this afternoon the Prime Minister gave a very excellent and interesting review of the federal-provincial conference which concluded last Friday. I think he is to be commended for reporting to the house so early on that conference, so that we might have the opportunity of discussing some of the matters arising out of the conference, and expressing an opinion with regard to them.

Federal-provincial relations are always ticklish in any federal system and have always put a great strain on confederation in Canada; and I imagine they will continue to do so for a great many years to come. I think the Prime Minister, with his excellent training in international diplomacy, is probably fitted as well as anyone to chair federal-provincial conferences, and from reports which I have had he conducted himself very ably last week. But when we come to face up to federal-provincial problems it will take a great deal more than high sounding phrases and cliches to solve these problems.

I should like to look at one or two of the things the Prime Minister said, with many of which I was in complete agreement. He said that each government must be able to

discharge its constitutional responsibility. Undoubtedly the two pillars on which confederation is built are that, on the one hand, the provinces, and on the other hand the federal government, shall each have the revenues which they require to discharge responsibilities allocated to them by the constitution. It stands to reason that they cannot discharge all the responsibilities to the full extent they want, that this will be limited by the amount of money available at both levels of government. Therefore, the constant problem of federal-provincial relations is to try to steer a fair and even course between what part of the national revenue goes to the provinces to look after their needs and what part goes to the federal government.

The provinces have faced for the last 50 years a problem which has been growing, namely that the fields of responsibility allocated to them have been enlarging at an amazing rate, particularly education, although health and welfare, have not been far behind. The provinces have not had the additional sources of revenue with which to meet those responsibilities. It is true that ever since the Rowell-Sirois report there has been some improvement. The figures which were read this evening by the Leader of the Opposition indicate that in recent years the provinces have been given additional sources of revenue, and certainly they need them, and they still need more. At the same time it has to be recognized that the federal government requires revenues to carry out its responsibilities. When speakers, such as the last, say that if the provinces were given all the direct taxes they would be able to solve their own problems, I am afraid they overlook two facts. The first is that many of the provinces could not meet their constitutional responsibilities if the direct taxes were restored to them. Second, much of the income derived from these tax fields is collected from wealth that is earned all over Canada, and the province in which the taxes are collected really has no claim upon all of that tax revenue. So that the real problem in Canada is how to allocate these direct tax fields fairly as between federal and provincial governments.

We are never going to be able to meet all the needs of the federal government and the provinces unless we can very considerably increase the total wealth production of Canada. That is one of the reasons the federal government must retain some of its fiscal powers and some of its shared programs, because it is responsible for stimulating the economy. If we had full production in Canada and no unemployment, it is estimated that we could increase our gross national product by $4 billion per annum. This would provide a much larger pie to divide up between the federal and provincial governments. The transfer of payments, the control of investment, the ability to raise and lower taxes wherever this will have the best effect on the economy, are some things which we feel the federal government must retain.

The Prime Minister said this afternoon that there was a need for a complete review of fiscal relations, and undoubtedly this is true. But I want to point out that we have been saying this now for years. There has not been a complete review since the Rowell-Sirois commission made its report, and we have steadily moved away from almost all the recommendations made in that report. The Prime Minister says that these fiscal relations will have to be decided, not on the basis of unilateral decisions but on the basis of consultation. With this all of us agree. Consultation is the very essence of a federal-provincial system. But if we are going to have consultation it seems to me that we must set up some machinery to make consultation effective. Just talking about consultation does not bring it about. The Prime Minister suggested that a liaison secretariat may be set up. I hope it is and that it will work. Personally I have my doubts, but it is worth trying. I think eventually it will be necessary to set up a department of federal-provincial relations in the government of Canada, with a similar minister in each province. I think we shall find it in our interests to hold an annual conference between premiers and the Prime Minister to deal with these matters. I cannot understand why the Prime Minister does not appoint the premiers members of the privy council and bring them periodically into the privy council to review some of the federal problems so that they would raise their sights and see things from a federal as well as a provincial point of view.

The Prime Minister said the provinces are giving top priority to the problem of financing education. He said, if I took his words down correctly, that the federal government appreciates the financial implications of this priority. Well, the federal government might well do so, because all the data which has been supplied indicates that the demands for education are likely to be doubled and trebled over the next few years and that the provinces and municipalities will not be able to meet the additional education costs. Trained and educated people are essential if we are to expand our economy, and the problem which faces us is this: People move from province to province in this mobile age and in this period of technology, and when a province spends money educating young Canadians it may be educating young people who are going to spend a great part of their lives in another province. For this reason alone, the federal government has a responsibility.

I think the best way to help the provinces is not by the federal government meddling in education but by moving toward the acceptance of the plea put forward by some of the provincial premiers for 25 per cent of the income tax revenue and 25 per cent of the corporation tax revenue. I do not agree with those who went one step further and asked that the provinces be given 100 per cent of the succession duties. I think that if there is any tax which ought to be redistributed over Canada, it is the succession duty tax. These are taxes which are collected from estates accumulated from business done right across the country. When a millionaire or a multimillionaire dies in one part of Canada, the chances are that his fortune has been made from business done all the way from the Atlantic to the Pacific. But in suggesting they be given 25 per cent of the income tax revenue and 25 per cent of the corporation tax revenue, I think the provinces had a good case. It is not enough for the federal government to say it understands the financial implications of giving education a high priority. I think it must recognize now and in subsequent conferences the necessity of providing the provinces with a larger share of the income tax field if the provinces are to discharge their responsibilities in the sphere of education.

I come now to the question of equalization. The Prime Minister said that equalization makes co-operative federalism possible, and I agree. But, surely, the converse is true, and anything which departs from equalization makes co-operative federalism more difficult. The principle of equalization is based on two premises, first, that the government of Canada has some responsibility for those provinces which are less developed and less industrialized than others. Second, that direct taxes are levied on wealth which is earned all over Canada, not necessarily in the province where the wealth is being taxed and, therefore, that some redistribution of direct taxation is fair and just.

The Liberal party during the years has recognized this principle, as I said on Friday—and I do not intend, now, to cover the ground which I covered then. The Prime Minister himself, in a statement in the House of Commons on June 2, 1958 said:

> Not only is the principle important but the application of that principle is even more important. On what basis are equalization payments going to be made? As far as this party is concerned we are pledged to equalization on the basis of the per capita yield of the three taxes in the wealthiest province.

The other day I quoted from the book "The Liberal Party" by the Secretary of State. I quote from it again only to draw attention to two words. It says, at page 125, that during the national Liberal convention of 1958—

> —the party pledged itself to alter the basis of equalization payments so that the revenues of all the provinces from income tax and succession duties would be brought up to the level of the province having the highest per capita revenue.

This principle was reaffirmed, according to the same author, by the national Liberal rally in 1961. The Liberal campaign literature said the same thing:

> The Liberal party believes that in order to ensure a basic equality of provincial services between all parts of Canada, all provinces should receive an equal revenue per head of population from the tax fields shared between the two levels of government so that all Canadian citizens will benefit equally.

There can be no doubt that this was a pledge. It was not just a preference, not just something which could be set aside if, after listening to the various provinces expressing their opinions, some other formula could be determined. This was a pledge made by the Liberal party, by its leader and by its chief author. It was a pledge to the people of Canada that a Liberal government would introduce equalization in a specific way by ensuring to each province the equivalent of the per capita income from the three tax fields, income tax, corporation tax and succession duties, enjoyed by the wealthiest province in Canada.

It is all very well to be prepared to listen, but there is a difference between flexibility and flabbiness. Here was a fixed principle to which the Liberal party had committed itself, a promise upon which they had been elected. I must say that after listening to the Prime Minister's explanation this afternoon I am far from satisfied as to the reasons why the government discarded a commitment it had made to the people of Canada in favour of a formula which departs from that principle of equalization. It is not merely that the new formula takes the average of the two top provinces rather than the figures of the top province. It is more important than that. It promised to take the per capita income in the top province from all three fields of revenue, income tax, corporation tax, and succession duties. The government has not done that. It has introduced the factor of resource revenue. There was no good reason for doing so. There was no more reason for including resource revenue than there would have been for including revenue from sales tax or consumer taxes or anything else of that kind.

If the government wishes to include other provincial revenue, let it include revenue from all sources. It is unfair to take one which affects some provinces more than others and which brings in many factors

which are not comparable. Some of the provinces do not have much revenue from resources because they sold their resources for consideration in the past and have spent the money. Are the provinces which did not sell their resources for a limited sum, but which continue to derive revenue from them, to be discriminated against because of that? But I think the most unfortunate aspect of this new formula is that the provinces are to be allowed to retain another 25 per cent of succession duties, and this is not to be included when computing the equalization grants. If there is any tax which ought to be included in computing an equalization grant, surely it is succession duties, because succession duties are going to become more important as the years go by. Succession duties are levied usually on large fortunes which are left in one province but which have been earned all over Canada, and to leave these out seems to me to be taking a very serious step along the road away from equalization. I think the people of Canada have a right to ask themselves why the government has discarded what was a just and reasonable formula for equalization and adopted one which in many ways is a monstrosity.

The Prime Minister said this afternoon there was no ultimatum, there was no capitulation. Whether there was an ultimatum or not, whether there was capitulation or not, the fact remains that most Canadians can do simple arithmetic. They know that the premier of Quebec, along with other premiers, asked for 25 per cent of the income tax revenue and 25 per cent of the corporation tax revenue. They did not get it. They got instead a formula which is going to give the provinces in total $87.4 million and will give the province of Quebec $42.7 million or almost half the total amount paid out under this formula. That may not be capitulation, but it will look to a lot of people as being very much like a behind-the-barn deal in which one province is going to get almost half the total amount of money. When this is broken down on a per capita basis it gives the province of Quebec $7.81 per head compared with $5.60 for Prince Edward Island. Surely those two figures alone indicate how far we have moved from the principle of equalization. If we take the three far western provinces we find that the figures are $2.31 for British Columbia, $1.23 for Alberta and $2.65 for Saskatchewan.

Mr. Pearson: I wonder whether my hon. friend would permit a question. Does he not agree that if the formula had been equalization up to the top province, the province of Quebec would have got $7 million of the $12 million that would have followed from that new equalization?

Mr. Douglas: I am going to suggest that the government would have been far better, it seems to me, to have left the equalization formula as it was, if it could not do a complete job, and to have said to the provinces: We are now prepared to start moving step by step toward giving you 25 per cent of the two income tax fields. This would have given all the provinces something. It would give it to them on a fair and equitable basis, rather than on this formula which smacks so strongly of favouritism and expediency.

I do not want to drag this out, Mr. Chairman. I want to say just a word about the Canada pension plan. I am glad of the progress which the Prime Minister has reported. I think the government ought to consider whether or not some of the reserve which will be built up in this fund could not be reinvested in the provinces on some allocation based on population. I know the plan is not supposed to be a funded plan, but since the extra $10 a month to the old age security pensioners is not to be taken out of the fund, there will be a reserve built up, and I think it would help to sell the plan to the provinces if the federal government were prepared to take some part of the reserve and reinvest it in the provinces by the purchase of provincial or municipal bonds, or some other form of investment in the provinces.

With reference to the old age assistance pension and blind and disabled persons allowances, I should like to say that I hope the government of Canada will press very hard to get the provinces to agree to make the increase retroactive to October 1. I think it is unfortunate that all of the people who come under these shared programs always get cheated out of several months of increase in pension because of the fact they have to wait until the federal and provincial governments negotiate. It should be remembered these groups come under a means test. In other words, the only reason they get any pension at all is because that they have practically no other means of subsistence. They are people who need this increase if anybody needs an increase. I certainly urge the federal government to exercise all its influence on the provinces to agree to making the increase for these three shared programs retroactive to the 1st of October.

Finally, Mr. Chairman, I simply want to say that we wish the Prime Minister and the government well as they continue these federal-provincial meetings. We hope they will be able to resolve some of the very serious problems that face the country. I want to suggest, however, in all kindliness that they will not promote co-operative federalism by

following the principle that the wheel that squeals the loudest gets all the grease.

The Chairman: Shall the resolution carry?

[*Translation*]

Mr. Pigeon: Mr. Speaker, may I call it ten o'clock?

[*Text*]

Mr. Pickersgill: Mr. Chairman, since this is interim supply and with a view to getting it through I wonder whether, provided the hon. member for Red Deer would be the last speaker, there would be a disposition to go on and complete it tonight.

Some hon. Members: No.

An hon. Member: We have other speakers.

Mr. Pigeon: And we would like to hear the President of the Privy Council.

Mr. Pearson: You will hear him Christmas eve.

Mr. Thompson: May I call it ten o'clock.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, I should like to ask the house leader what is the forecast of the business for the rest of the week?

Mr. Pickersgill: Mr. Speaker, I would prefer not to make any forecast beyond tomorrow because, pursuant to the suggestion made earlier by the Prime Minister, I should like to have conversations with certain hon. gentlemen opposite with a view to planning the business for the rest of the week. Tomorrow we will go on with this urgent business of interim supply and hope to conclude it after one or two brief speeches. As soon as it has been concluded we will go on with the redistribution resolution. If this should be completed, as I fervently hope it will be, the Minister of Transport has several legislative items on the order paper we could take up, starting with the C.O.T.C.

At ten o'clock the house adjourned, without question put.

HOUSE OF COMMONS

Tuesday, December 3, 1963

The house met at 2.30 p.m.

PRIVILEGE

MR. HAYS—DISMISSAL OF P.F.A.A. SUPERVISOR

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, I rise on a question of privilege. On Thursday last, November 28, the hon. member for Swift Current-Maple Creek (Mr. McIntosh) addressed a question to me which he had directed to the Acting Prime Minister in my absence on Tuesday, November 26, regarding a statement I had made in Edmonton to the effect that I appointed people according to merit.

He then went on to say that if it is government policy that personnel are selected on merit, why was it, in view of this statement by myself, that Mr. George Walker, the former P.F.A.A. supervisor for Swift Current, was discharged from the government service, and went on to say that either my statement was false or I did not practice what I preached.

My reply to the hon. member indicated that my statement was not false and that I do practice what I preach. This man was discharged on the recommendation of the director because he did not perform his duties satisfactorily. I also pointed out that the director had been appointed by the previous administration on June 1, 1961, and he is a good man.

The hon. member for Swift Current-Maple Creek then stated that he understood I would find in the files a report made by the present director in regard to this man, to the effect that he was the most capable supervisor in that branch, and asked if I did find this report would I consider firing the director and reinstating the supervisor. In reply to this question I may say that I have had the files searched, and am advised that Mr. Walker was employed as a part time inspector under the P.F.A.A. for varying periods each year from September 4, 1957 to December 5, 1962, when he was appointed district supervisor for the Swift Current area on a full time basis. However, there is no report in the files to the effect that he was the most capable supervisor in the branch, as stated by the hon. member.

At the time the hon. gentleman asked the question I stated that apparently he did not understand that the problem apparently arose out of the fact that Mr. Walker was taking orders from the hon. member for Swift Current-Maple Creek instead of from the director, and this was one of the problems, and that he was not satisfactorily filling his job.

The basis for the dismissal of Mr. Walker was a report received from the director of the prairie farm assistance administration to the effect that for some time the matter of continuing the services of Mr. George Walker as supervisor for the Swift Current area had been a problem to him. The administration of the P.F.A.A. in the Swift Current area was most unsatisfactory and, all in all, a situation had developed where there was a lack of any co-ordination between the Swift Current office and head office in Regina. The supervisor was simply not carrying out the director's instructions. His utter lack of co-operation with the Regina office was one fault, and his disregard for the director and Mr. W. F. Davies, the superintendent, could not be overlooked.

Although he was quite conversant with the operations of the Prairie Farm Assistance Act from experience gained as office manager for his predecessor, he made no effort to check inspectors who were not properly carrying out their duties when taking cultivated acreage reports from farmers in the area. In a number of instances he failed to carry out the inspections of those townships which were contiguous to other townships which had been declared eligible for award by the board of review. This is one phase of the administration that is quite necessary, and it is insisted that each supervisor complete the inspection of such townships.

He was explicitly instructed not to endeavour to answer any correspondence with officials of rural municipalities or farmers in his area, but rather that all such correspondence be directed to the Regina office, where files are kept for reply. He disregarded instructions in this matter. He refused to co-operate in the investigations of alleged irregularities in some cultivated acreage reports which were filed in his area for awards. A situation developed in the area under his supervision which the director felt required a recheck of certain townships, but he received no co-operation whatsoever from Mr. Walker in making these rechecks. Had

Mr. Walker followed the director's instructions there is no doubt that the situation would not have developed.

On the basis of the director's report on the lack of co-operation and disregard of his instructions by Mr. Walker, I approved his recommendation that Mr. Walker's services be dispensed with.

Yesterday the hon. member raised a question of privilege with regard to my statement on Tuesday last that one of the problems arose out of the fact that Mr. Walker was taking orders from the hon. member for Swift Current-Maple Creek instead of the director. I understand it is a rule of the house that if an hon. member rises in his place and denies a statement made by another member, that member must accept the denial. I am quite prepared to accept the hon. member's word and am prepared to withdraw my statement that Mr. Walker was taking orders from the hon. member for Swift Current-Maple Creek, which I had been led to understand had been the case. I would point out, however, that that was not the basis on which Mr. Walker was dismissed as the district supervisor for the Swift Current area. He was dismissed for not giving satisfactory services and for not carrying out the instructions of his superior officer.

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, on a question of privilege, is it not a rule of the house that if a report is mentioned by a minister it should be tabled? If so, I make the request that the director's report be tabled, because it is obvious that Mr. Walker is the innocent victim of a dispute between the director and myself. At no time was he told either by the minister, although the request was made, or by the director, to whom also a request was made, the reason for his dismissal. Being an innocent victim, I believe he should be given the chance to refute the statement made by the minister.

Mr. Speaker: As to whether the report should be tabled, I will leave that to the discretion of the minister.

Some hon. Members: Table it.

Mr. Hays: Mr. Speaker, this is a departmental report and I am sure the hon. member knows that this cannot be tabled.

Some hon. Members: Oh, oh.

Mr. McIntosh: Then, Mr. Speaker, I have no alternative but to move this motion:

That the question of privilege I raised respecting the statement by the Minister of Agriculture that:

"Apparently he does not understand that the problem arose out of the fact Mr. Walker was taking orders from the hon. member for Swift Current-Maple Creek instead of the director. This was one of the problems, and was not satisfactorily fulfilling his job."—be referred to the standing committee on privileges and elections.

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

Some hon. Members: Agreed.

Motion agreed to.

MR. GREGOIRE—FAILURE OF POSTMASTER GENERAL TO TABLE DOCUMENTS

[*Later:*]

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I rise on another question of privilege.

On Wednesday, October 23 of this year, this house ordered the Postmaster General to table certain documents. Six weeks have gone by since that order was given to the Postmaster General and the documents have not been tabled yet.

I feel the minister should comply with the order given to him. So we ask him to explain why he has not done so.

Hon. Azellus Denis (Postmaster General): Mr. Speaker, I got in touch this morning with the officials of my department and I believe the documents will be tabled presently, to the satisfaction of the hon. member for Lapointe.

[*Text*]

AGRICULTURE

EGGS—ANNOUNCEMENT OF DEFICIENCY PAYMENT PROGRAM

Hon. Harry W. Hays (Minister of Agriculture): I wish to inform the house that the agricultural stabilization board has been authorized to support the price of eggs by a deficiency payment program for the twelve month period, October 1, 1963 to September 30, 1964, at a national average price of 34 cents per dozen to producers for grade A large size eggs. The support price of 34 cents is the same as last year and represents 92 per cent of the base price or ten year average. Last year the 34 cent support price was 90.7 per cent of the base price.

There has been no change in the procedure established for claims, and payments to any one producer during the support year will continue to be limited to 4,000 dozen grade A extra large size, grade A large size and grade A medium size eggs. Producers must be registered with the board and have marketed their eggs through registered grading stations, or have sold their eggs to retail outlets as producer-graders to be eligible for any deficiency payments which may be made.

[*Later:*]

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I want to direct a question to the Minister of Agriculture. Earlier this afternoon he announced the deficiency payments to egg producers under the Agricultural Prices Stabilization Act. Could he tell us what steps his department is taking to make sure these deficiency payments go to the egg producers, rather than to commission men and agents who handle the products of the egg producers?

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, if the hon. member would direct those people who are not receiving them, or he thinks are not receiving them, to write me, I would be glad to investigate their cases.

Mr. H. M. Horner (Jasper-Edson): Mr. Speaker, with regard to the egg price support announced by the minister, we appreciate the Conservative farm policy he announced, but what happened to the Liberal promise of regional averaging and quarterly payments?

FINANCE

REPORTED REDUCTION IN FOREIGN INVESTMENT IN CANADA

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I wish to direct a question to the Minister of Finance and draw his attention to the latest bulletin of the dominion bureau of statistics on the question of foreign investment in Canada, showing receipts of only $98 million from this source compared to foreign capital inflows of $391 million, $410 million and $386 million in previous quarters.

I should like to ask the minister whether he is satisfied with the reduction of foreign investment to this extent and, if not, what is going to be the attitude on the part of the government toward increasing the amount of this investment?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, the right hon. Leader of the Opposition has drawn attention to the effects of the introduction of the United States interest equalization tax, or the announcement of it, and the fact that while it is still being considered by congress there will continue to be a very considerable reduction in the amount of capital flowing from the United States to Canada. I should like to be able to do something about it, but obviously the only effective way of doing anything would be to speed up the legislation through the United States congress, and unfortunately I am not able to influence that.

Mr. Diefenbaker: Mr. Speaker, now that the Americans are blamed for this and not the legislation brought in by this government, does the minister agree with what hon. Mr. Kierans, the Quebec revenue minister, said yesterday in speaking at the Windsor hotel:

> —denial of access to American capital markets, promoted by the Canadian government, is making more costly the financing of growth in the private and public sector—"Ottawa's hostile attitude against foreign investment" has forced one United Kingdom company to abandon its plan to set up a subsidiary plant in the Drummondville area.

Does the minister agree with that criticism by one of his good friends?

Mr. Gordon: Mr. Speaker, Mr. Kierans is a colourful character, but I am afraid I cannot always agree with his statements.

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I should like to ask the Minister of Finance a supplementary question. In view of this lack of United States credits, is the Minister of Finance considering the creation of Canadian credits in order to replace those U.S. credits which are not flowing any more to Canada?

[*Text*]

Mr. Gordon: Mr. Speaker, I think this is hardly the time to discuss monetary theory.

Hon. Theogene Ricard (St. Hyacinthe-Bagot): A supplementary question, Mr. Speaker, to the Minister of Industry. Is this the practical effect of his policy of regional development that we are experiencing now?

[*Later:*]

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a question for the Minister of Finance in connection with the question asked earlier by the Leader of the Opposition. Can the Minister of Finance tell us whether the diminution in United States investment, the flow of United States capital into Canada referred to by the Leader of the Opposition, exceeds the amount the minister hoped to achieve by his ill fated legislation earlier this year?

Mr. Churchill: That is a loaded question.

Mr. Gordon: I think I need counsel, Mr. Speaker, before I deal with a question of that kind.

Mr. R. Gordon L. Fairweather (Royal): I have a supplementary question, Mr. Speaker, that I tried to get in earlier. What plans can

the minister announce which will lessen the "distinct cleavage" which Quebec revenue minister Eric Kierans says exists between the federal government's international policies at the political level and the economic policies now being pursued by the government?

Mr. Gordon: I have not seen this statement, Mr. Speaker. I would like to study it before I try to deal with a general statement of that kind.

Mr. Diefenbaker: Mr. Speaker, I should like to ask a further supplementary question. As the hon. gentleman has given the house the assurance that he has not seen this statement—it is on the front page of all the papers—I might read it and ask whether he agrees with it:

> Mr. Kierans said the federal government's application of withholding taxes and depreciation allowances "is going to get us into trouble".
>
> "For one thing it is going to invite retaliatory action by the United States government", he declared.

I ask the minister, does he agree with that statement from this colourful character whom he derogated a few months ago?

Mr. Gordon: Mr. Speaker, I read the *Globe and Mail* this morning, and that was one of the papers that did not, as far as I recall, carry that statement on its front page.

An hon. Member: You don't read the right papers.

Mr. Gordon: I thought the right hon. gentleman said "all the papers". In any event, I think that interpretation as reported is highly—

Mr. Mandziuk: Correct.

Mr. Gordon: —exaggerated.

AGRICULTURE AND COLONIZATION

LACK OF INTERPRETERS—LATE RECEIPT OF COMMITTEE REPORTS

On the orders of the day:

[*Translation*]

Mr. Raymond C. Langlois (Megantic): Mr. Speaker, I rise on a question of privilege regarding what is taking place at the committee on agriculture which held a sitting this morning. I would also ask the Secretary of State to make representations to you concerning the lack of interpreters and the delay in publishing the French report of proceedings.

Mr. Speaker, the hon. members for Roberval and for Kamouraska, who sit on this committee, are not too familiar with the English language and would like to have an interpreter attend the sittings, if possible, in order to provide simultaneous translation.

[Mr. Fairweather.]

[*Text*]

This is a question we have discussed before, Mr. Speaker, and I know it may be embarrassing at times when there are not enough interpreters to cover so many committees sitting at the same time. However, I ask the Secretary of State to get one for this afternoon if possible, since these two gentlemen will probably be attending that committee again. They sat there not understanding a single word. We were talking about sales of grain in eastern Canada and they did not understand what we were talking about. They will only find out in two weeks time when the report will probably be submitted. This is my question of privilege, and I wonder whether the Secretary of State has something to say.

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I regret very much that this situation has arisen on several occasions during the present session. Part of the reason, of course, is that there are so very many committees sitting at the same time and there is only limited personnel. I am sure that Your Honour and the officers at the table, having heard the hon. gentleman's point, will do their utmost to see that the situation is improved just as far as it can be humanly done with the number of officials that are available. Personally I regret very much that we do not have more people to do this work of interpretation and translation. I have made repeated representations in many quarters to get the staff strengthened in order to do this work adequately. I repeat the invitation I have extended before, that if anyone knows any competent translator who would like a job, I wish he would give his name to the chairman of the civil service commission right away.

Mr. R. W. Prittie (Burnaby-Richmond): I should like to ask the Secretary of State if he is aware that some of these committees could have been meeting two months ago and thus avoid all this rush at the end of the session.

Mr. Pickersgill: No, sir, I am not.

Mr. Langlois: I may not be considered competent, but if I may be of help to the government this afternoon I am quite willing to do so without pay, Mr. Speaker.

LABOUR CONDITIONS

REQUEST FOR EXTENSION OF INCENTIVE TRAINING PROGRAM FOR OLDER WORKERS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): I should like to direct a question to the Minister of Labour regarding the older workers

training incentive program. I notice that according to the literature sent out by his department, this program is only available to workers who are hired between November 1, 1963 and January 31, 1964. The question I would like to ask the minister is, why is it limited to such a narrow period? Would the minister and his department give some consideration to widening the period during which this incentive program will be applicable?

Hon. A. J. MacEachen (Minister of Labour): The purpose of the particular period was to attempt to encourage a substantial volume of hiring in a period that would have the maximum effect on high seasonal winter unemployment. However, I am glad to assure my hon. friend that consideration will be given, and I think it is now being given, to a possible extension of this period.

BUSINESS OF THE HOUSE

CONSIDERATION OF BANKRUPTCY ACT AMENDMENT RESPECTING PRIMARY PRODUCTS

On the orders of the day:

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, may I direct a question to the Prime Minister?

I received at noon from Mr. Sorel, president general of the catholic farmers union, a telegram which reads as follows:

On behalf of all Quebec farmers, we state once again our full support of Bill C-5—stop—considering it as an essential protection of the already low livelihood of thousands of farmers—stop—asking for passage of the whole bill during this session.

Has the Prime Minister received such a telegram and if so, does he intend to submit Bill C-5 for the approval of the house before the conclusion of this session?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I do not recall receiving that telegram, but I will be glad to look into the matter as soon as I get to my office. The government's intentions with regard to further legislation this session will be made known in a day or two.

TRANS-CANADA AIR LINES

REPORTED RUMOURS THAT SABOTAGE CAUSED RECENT CRASH

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would like to direct a question to the Minister of Transport. It arises out of rumours that are rampant regarding the cause of the terrible disaster to the T.C.A. aircraft last Friday. Is the minister in a position, on the basis of the investigation so far, to eliminate and rule out sabotage as the cause of that accident?

Hon. G. J. McIlraith (Minister of Transport): I am sorry, Mr. Speaker, but I was not able to hear the right hon. gentleman's question.

An hon. Member: Put your earpiece on.

Mr. Diefenbaker: Mr. Speaker, either the minister's hearing is bad or my voice was not loud enough for him. I asked whether he was in a position now, on the basis of the investigation that has so far taken place in connection with the tragedy at Montreal last Friday, to eliminate sabotage as the cause thereof.

Mr. McIlraith: Mr. Speaker, I have had no report from the investigating team so far; therefore I would not rule out any possible cause whatever. I do not want that remark to be taken as indicating that I have any reason to suspect one cause more than any other; I simply have not the information.

[*Later:*]

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I would like to direct a question to the Minister of Transport. Were either or both of the DC-8F aircraft recently involved in accidents, at London airport and in the tragic occurrence at Montreal, equipped with Pratt and Whitney fan jet engines rather than Rolls Royce engines?

Mr. McIlraith: Mr. Speaker, that subject matter was dealt with in committee this morning, and I wonder if the hon. member would permit me to take his question as notice and give him a full answer later.

INDUSTRY

HEAVY WATER PLANT—INQUIRY AS TO OWNERSHIP OF SELECTED COMPANY

On the orders of the day:

Mr. R. N. Thompson (Red Deer): I should like to ask the Minister of Industry if he can tell the house whether the Deuterium Corporation of Canada, which has been awarded the contract for the heavy water plant, is a wholly owned Canadian corporation.

Hon. C. M. Drury (Minister of Industry): Yes, I can. It is not wholly owned, as my announcement made clear yesterday, but a very substantial portion of the Deuterium Corporation of Canada will be Canadian owned.

Mr. Thompson: Perhaps the minister will tell us how much of it is expected to be Canadian owned, and whether he is aware

of the reasons Mr. Spivak, president of this corporation, severed his connections with the atomic energy commission of the United States.

Mr. Drury: The percentage of Canadian ownership is anticipated to be 51 per cent.

Mr. Horner (Acadia): Anticipated, or is now?

Mr. Drury: Anticipated; the issue of stock to the Canadian shareholders has not yet been made.

Mr. Thompson: Could I have an answer to the second part of my question?

Mr. Drury: Mr. Speaker, I am aware of the reasons given for Mr. Spivak coming to Canada after having left the service of the atomic energy commission of the United States.

Mr. T. C. Douglas (Burnaby-Coquitlam): Will the minister tell us how much of the firm is now Canadian owned?

Mr. Drury: This, like a number of other proposals, represents a proposal by a corporation which in itself will only come into full flower if it is awarded the contract. It is only then that the proposals will become operative. Now it is merely a shell of a corporation.

Mr. Knowles: Shades of the trans-Canada pipe line.

Mr. Drury: It will be brought into full existence when it is told that in fact it will have a job to do.

Mr. Douglas: A supplementary question, Mr. Speaker. Is the minister now telling the house that this company has been awarded a very important contract although it is not a corporate entity at the present time? If so, how is it possible to determine whether this firm has both the technical and financial capacity to carry out the contract which is being given?

Mr. Drury: Mr. Speaker, the corporation does exist. The proposals made to Atomic Energy of Canada Limited were for an operation which would involve changing substantially the financial competence and plans of the corporation, changing substantially the equity ownership of the corporation, changing substantially the personnel of the corporation. This is a corporation which is going into a brand new operation, and requires substantial changes.

The contract has not been awarded. As I announced yesterday, it is merely that the government has approved the application of Atomic Energy of Canada Limited to enter into an underwriting agreement, Deuterium of Canada Limited having indicated that it had viable, sensible economic plans to do the things it said it could do. When the corporation does sign agreements providing that it will in fact do the things it says it will do, a contract will be signed with Atomic Energy of Canada Limited.

Mr. Douglas: Do I take it, Mr. Speaker, that the minister is saying this company is really at the present time a United States company, and the proposal is that it will alter its structure so as to have some degree of Canadian ownership after the reorganization? Is that correct?

Mr. Drury: It is a Canadian company, of which the principal shareholder is a citizen of the United States at the present time.

Mr. Thompson: Coming back to my original question, Mr. Speaker, I would like to ask the minister whether he is aware of the reason for this United States citizen who is president of Deuterium of Canada Limited severing his connections with the United States atomic energy commission.

Mr. Drury: Mr. Speaker, I think I answered that question in the affirmative.

Mr. Thompson: If the minister is aware, will he inform the house?

An hon. Member: Read *Hansard* tomorrow.

Mr. Drury: Mr. Speaker, I have been asked to disclose information regarding the motives of a private individual. I do not think it would be proper for me to make public this type of information.

CONSIDERATION OF FRENCH CANADIANS IN MAKING SENIOR APPOINTMENTS

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, may I put a question to the Minister of Industry?

Could the minister tell us why he has been unable to appoint a French speaking deputy minister or assistant deputy minister within his department since the three present directors are English speaking? Will any of the seven proposed directors be French speaking?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I should like to say to the hon. member that the only thing I can do is to recommend a candidate for the position of area development agency commissioner; the present incumbent is French speaking.

In every department, the appointment of deputy ministers comes under the jurisdiction of the Prime Minister and not the minister.

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, may I put a supplementary question? Can the minister tell whether the three appointments made by the government can be called "co-operative bilingualism"?

Mr. Drury: Mr. Speaker, I can tell the hon. member that I shall do everything possible to appoint French Canadians to the Department of Industry. However, I must recognize, unfortunately, that with the competition given us by the Quebec government, I find it quite difficult to find competent French speaking candidates.

[*Text*]

Mr. Speaker: Order, please. This is a kind of argument, and I would point out to the hon. member that this is question time.

[*Later:*]

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I wish to direct a question to the Minister of Industry. I should like to know what steps he took or what inquiries he made to find bilingual or French high officials for his department before asserting that he could not find qualified candidates?

Mr. Drury: Mr. Speaker, I think that question could not be answered orally on the orders of the day.

[*Later:*]

Mr. Lessard (Lake St. John): Mr. Speaker, my question is directed to the right hon. Prime Minister. Following the answer given by the Minister of Industry, could he tell us whether that statement means that he chooses himself the deputy ministers in the various departments of his administration?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, it is the responsibility of the Prime Minister to appoint deputy ministers.

[*Later:*]

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, with your permission I wish to direct a question to the Minister of Industry.

The minister complained a short while ago of a lack of French Canadian applicants in his department. Why could not Mr. Lavigne, who holds the fifth position in his department, be appointed deputy minister, so as to give fair treatment to French Canadians and to recognize their rights.

[*Text*]

ESTABLISHMENT OF INDUSTRIES IN DESIGNATED AREAS

On the orders of the day:

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, my question is directed to the Minister of Industry. Is he in a position to mention a single new industry established in one of the designated areas since the enactment of the legislation?

Hon. C. M. Drury (Minister of Industry): Yes, Mr. Speaker. For instance, in the town of La Malbaie, the construction of a new plant for Reynolds Aluminum is being started.

Mr. Caouette: A supplementary question, Mr. Speaker.

Can the minister mention another new industry that would have been established in the Abitibi area?

Mr. Drury: Mr. Speaker, I must thank the hon. member for his question, but for the time being I cannot think of any other example.

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

Is not that new aluminum plant being established at Murray Bay precisely because this company has concluded a very important contract with the federal government, which will endeavour to absorb the company's production in years to come?

[*Text*]

Mr. Speaker: Order, please. That is not a question. That is an argument or a statement.

[*Translation*]

Mr. Gregoire: Mr. Speaker, I feel that my question was quite in order and I raise a point of order.

[*Text*]

Mr. Speaker: The question is out of order. The hon. member for Port Arthur.

[*Translation*]

Mr. Caouette: Mr. Speaker, I respectfully submit that whenever a member raises a point of order, he has the right to do so. That is what the hon. member for Lapointe is asking just now.

[*Text*]

Mr. Speaker: The hon. member for Port Arthur.

[*Translation*]

Mr. Gregoire: Mr. Speaker, on a question of privilege.

According to the rules, when a member rises on a question of privilege I believe that the Speaker must listen to that question of privilege.

Inquiries of the Ministry

My question of privilege is this. I wanted to rise on a point of order following a question which I had asked in order that I might explain why it was in order. You prevented me from doing so. It seems to me that I have the right to raise a point of order when the occasion arises. I ask for your ruling on the matter.

[*Text*]

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

Mr. Fisher: I can't compete with that.

Mr. Speaker: The hon. member for Lapointe will understand that I am a human being, too, and sometimes it is difficult for me to make my voice heard; but I am sure he heard me when I said three times that his question was out of order. It was as simple as that; the question was out of order. The hon. member for Port Arthur.

Mr. Caouette: Mr. Speaker, an hon. member of parliament is asking a question—

Mr. Speaker: Order, please. I think the hon. member for Villeneuve must recognize that I am still the Speaker. I will be glad indeed to give the hon. member my reasons for not hearing him at this time. They are very simple. The hon. member for Port Arthur had precedence; he rose before the hon. member for Lapointe. All hon. members have equal rights in this chamber, including the hon. member for Port Arthur, and he rose first. The hon. member's question of privilege or point of order may come in later, but not at this time.

DOMINION-PROVINCIAL RELATIONS

REPORTED STATEMENT BY MEMBER FOR DRUMMOND-ARTHABASKA

On the orders of the day:

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I wish to direct a question to the Prime Minister. Is the Prime Minister in a position to confirm the statement made by the hon. member for Drummond-Arthabaska last Sunday, in Drummondville, to the effect that the province of Quebec would get everything she asked for at the federal-provincial conference, and that the amount of $42 million already granted to her by the federal government was but a first instalment on what she would receive under the new distribution of fiscal rights?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, I cannot confirm that statement, which I have not seen, if in fact the statement was made.

[Mr. Gregoire.]

NORTHERN AFFAIRS

HAINES ROAD—NEGOTIATIONS RESPECTING MAINTENANCE DURING WINTER

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I wish to direct a question to the Minister of Northern Affairs and National Resources. Can he inform the house whether the negotiations between the Canadian government and the United States government have yet been completed with regard to the maintenance of the Haines highway?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, I think the arrangements are completed, but I would prefer to read the hon. member's question, as well as hear it, and I might make an announcement tomorrow.

Mr. Nielsen: While the minister is announcing that, I wonder if he will inform the house whether negotiations have been completed as to the salient features of maintenance, particularly the equipment that is being used and the labour being utilized on the highway?

Mr. Laing: Yes, Mr. Speaker.

TRANSPORT

RAILWAY BRANCH LINES—CONFERENCE RESPECTING ABANDONMENT

On the orders of the day:

Mr. C. O. Cooper (Rosetown-Biggar): Mr. Speaker, I would like to direct a question to the Minister of Transport. Sometime ago I asked if there would be a meeting of all interested parties before any further railway abandonment would take place. Does the minister anticipate calling this meeting, or is the document I have in my hand a final disposition of this matter?

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, I do not know what document the hon. member has in his hand, but I would indicate to him that it has been made clear on several occasions that the abandonment of grain lines in western Canada will not be proceeded with for the time being, and I have also indicated that I propose bringing forward legislation to deal with this subject.

Mr. Cooper: The document I have is headed "Rail line abandonments by C.N.R. and C.P.R. as of November 6, 1963."

HEALTH AND WELFARE

FEDERAL CONTRIBUTION TO COST OF ANTI-SMOKING CAMPAIGN

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, my question is directed to the Min-

ister of Finance. What portion of the $600,000 for the anti-cigarette smoking campaign will the federal government provide?

Hon. Walter L. Gordon (Minister of Finance): I would be glad to look into the question, Mr. Speaker, and give an answer tomorrow.

DEFENCE PRODUCTION

QUEBEC—COMPLAINTS RESPECTING TREATMENT OF ARSENAL EMPLOYEES

On the orders of the day:

[*Translation*]

Mr. Robert Beaule (Quebec East): Mr. Speaker, first, I may tell the hon. member that I am aware of what is going on at the Val Cartier arsenals. The Val Cartier plant has been given less work lately, and consequently employment has dropped. However, we are doing our best to try and find jobs for those who have been laid off.

On November 13 I asked the minister a question about the unjust treatment which had befallen the employees of the Val Cartier arsenals, near Quebec city. More than 15 days have elapsed since then, and I wonder if the minister is now able to answer my question?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, first, I may tell the hon. member that I am aware of what is going on at the Val Cartier arsenals. The Val Cartier plant has been given less work lately, and consequently employment has dropped. However, we are doing our best to try and find jobs for those who have been laid off.

Mr. Beaule: A supplementary question, Mr. Speaker. I am not speaking of the employees who have been laid off, but of the treatment which is meted out to those people who are still employed.

Mr. Drury: According to my information, Mr. Speaker, those who have stayed on are treated quite well.

[*Text*]

NATIONAL DEFENCE

FORT CHURCHILL—FUTURE PLANS FOR USE BY ARMED SERVICES

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I would like to direct a question to the Minister of National Defence. Is the minister in a position to give a further report in relation to the plans of his department concerning the future use of Fort Churchill by various branches of the armed forces?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I do not think there is anything I could usefully add at this time.

Mr. Simpson: As a supplementary question, could the minister say when he may be able to make such a report?

Mr. Hellyer: I would hope it would not be too long, Mr. Speaker.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker may I ask the Minister of National Defence whether the report appearing in the newspaper today with regard to the proposed closing of Fort Churchill for army purposes is accurate, plus the other reports with regard to general cutting down of the services?

Mr. Hellyer: I have not seen that report, Mr. Speaker.

Mr. Churchill: You don't see any of these reports.

BRIDGES

THREE RIVERS, QUE.—COST OF PROTECTION OF NAVIGATION

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to ask the Minister of Transport a question. Does the government now have in hand an estimate of the cost of the protection of the navigable waters in the St. Lawrence which protection will follow from the erection of the proposed bridge at Three Rivers?

Hon. G. J. McIlraith (Minister of Transport): Yes, Mr. Speaker.

Mr. Fisher: I should like to ask a supplementary question. Is this estimate of cost any factor at all in the government's reconsideration of the order in council relating to this project and, if so, when does the minister think he can give us an explanation of the government's final position?

Mr. McIlraith: The cost is very heavy, Mr. Speaker. The responsibility for building the bridge is not that of the federal government, as I think the hon. member knows. The responsibility of the federal government is that of protecting the water in the St. Lawrence river, which is the navigable stream, the shipping route. The estimate of the cost is very substantial and is a consequence of the location of piers for the bridge.

Mr. Fisher: I should like to ask whether the government was not seized of this information or did not try to get the information at the time the proposal was put before this parliament.

Mr. McIlraith: I do not know what information the former government had; that would be their responsibility. I am not able to say what information they had on this subject.

[*Translation*]

Mr. Clement Vincent (Nicolet-Yamaska): Mr. Speaker, I have a supplementary question.

Is the corporation of the Three Rivers bridge now authorized to start the construction of this bridge?

[*Text*]

Mr. McIlraith: The order in council referred to by the hon. member for Port Arthur was one indicating the concurrence of the government to the construction of a bridge. There were some questions raised about the order in council.

[*Translation*]

Mr. Vincent: Mr. Speaker, I would like to ask the Minister of Justice a question.

Could he tell us whether his department studied the order in council, dated March 4 last, concerning the Three Rivers bridge, and if so, whether his department recognized the validity of that order in council?

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, we did study that order in council and, as the hon. member for Nicolet-Yamaska certainly knows, an opinion once expressed becomes the property of him who requested it, in this case, the Minister of Transport, and it would be up to him to communicate it to the house when and wherever he deems fit to do so.

Mr. Vincent: Mr. Speaker, I have a supplementary question to ask the Minister of Transport with regard to this matter. Could he tell us whether or not the Department of Justice told him that the order in council was valid?

[*Text*]

Mr. McIlraith: The Department of Justice did provide an opinion on this subject, Mr. Speaker.

Hon. Leon Balcer (Three Rivers): Mr. Speaker, I should like to ask the minister whether he could tell us what was the opinion of the Department of Justice.

Mr. McIlraith: No, Mr. Speaker.

Mr. Balcer: Why not?

Mr. Fisher: I should like to ask the minister a question arising out of this series. If the cost estimate to the government in connection with this project is high, will the government have the authority, aside from whether the order in council is valid, to make sure that the project is not proceeded with?

Hon. J. W. Pickersgill (Secretary of State): On a point of order, I would be glad to arrange for the estimates of the Minister of Transport to come up the next day we have an opportunity so that this information can be supplied to hon. members. It seems to me that a detailed question of an argumentative, debating nature such as the one which has just been asked is not appropriate on the orders of the day.

Mr. Fisher: The Secretary of State has raised a point of order. I should like to point out that we have on the order paper for consideration a bill which is very similar to the one setting up this Three Rivers bridge organization, and I feel there is some urgency in finding out what is the position of the government in this case as far as the Department of Transport is concerned, because it would certainly affect the consideration we would give to this other bill when it is before the house. It is for this reason I think there is a certain urgency about it, particularly if the cost which is to devolve upon the government rises as much as the minister has indicated.

WORLD FAIR

REPORTED TECHNICAL DIFFICULTIES RESPECTING SITE

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I refer to a question which I have already directed to the Minister of Public Works and to which he could not give any answer because he did not have the proper information. Can the minister tell the house whether any change will have to be made to the site of the world exhibition following the problems involved?

Hon. J. P. Deschatelets (Minister of Public Works): Definitely not, Mr. Speaker.

Mr. Pigeon: Mr. Speaker, I should like to put a supplementary question if you allow me. Could the Minister of Public Works tell us whether his statement is inconsistent with those made by the mayor of Montreal, according to whom many difficulties have arisen which could result in the selection of a new site?

Mr. Deschatelets: Mr. Speaker, I wish to be quite clear on this subject. The hon. member for Joliette-L'Assomption-Montcalm is asking me whether the site would be changed. The answer is positively no, the site will not be changed.

Mr. Pigeon: If there are major or minor changes in the development of the islands?

Mr. Deschatelets: Mr. Speaker, if major changes are made, plans will be submitted to us and we shall then advise the hon. member.

[*Text*]

UNEMPLOYMENT INSURANCE

EXTENSION OF BENEFITS TO WORKERS IN U.S.

On the orders of the day:

Mr. Raymond Langlois (Megantic): Mr. Speaker, I have a question for the Minister of Labour regarding lumbermen who work across the border. I am referring to the impossibility of their being able to obtain unemployment insurance once they have quit their work. There have been many negotiations over the past few years, and can the government tell us where they are at now and if there are any conclusions on the horizon?

Mr. Speaker: That is a question for the order paper.

[*Later:*]

Mr. Langlois: I will rephrase my question to the Minister of Labour. Can the hon. gentleman assure the house that he will look into these negotiations to see whether any progress has been made in the situation affecting these lumbermen?

Mr. MacEachen: Yes, though I know the situation without looking into it further.

PENITENTIARIES

NEW WESTMINSTER—RECOMMENDATIONS THAT CONDITIONS BE INVESTIGATED

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, about ten days ago I asked the Minister of Justice a question regarding three recommendations which had been made by a jury in Vancouver, one of the recommendations being for an independent investigation of the conditions in the penitentiary at New Westminster. I wonder whether the minister has since received a report from the judge and, if so, what action is he contemplating in this regard?

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, as far as I know there has been no report from the judge as yet.

SHIPPING

REQUEST FOR STATEMENT ON COLLISION IN MONTREAL HARBOUR

On the orders of the day:

Mr. Robert Simpson (Churchill): I wish to address a question to the Minister of Transport. Is the minister in a position to make any statement to the house on the reported collision of two large vessels in Montreal harbour either early this morning or late last night?

Hon. G. J. McIlraith (Minister of Transport): I do not know that there is a great deal to report. Early this morning, at about 12.30 a.m., two vessels, the *Manchester Merchant* of United Kingdom registry and the *Lionel* of Norwegian registry were in collision in Montreal harbour.

It appears that the *Manchester Merchant* which had taken on cargo at Montreal, was proceeding downstream to leave the harbour. Two vessels, the *Donnacona,* a laker, and the *Lionel,* had left the seaway and had turned below Canadian Vickers shipyard in order to proceed into the upper harbour. The *Donnacona* was in the lead and the *Lionel* followed approximately 500 feet behind. Both vessels were moving slowly.

The *Manchester Merchant* had safely passed the *Donnacona* and then appeared to veer off to the south striking the *Lionel* midships.

An explosion and fire occurred in both vessels. The fire on the *Manchester Merchant* was brought under control and the vessel is now at anchor opposite elevator No. 4 in Montreal harbour. She is expected to go to drydock.

The *Lionel* lost control and had to be pushed by tugs to the downstream tip of Ile Ronde. The fire aboard the *Lionel* had not been brought under control when I checked this forenoon. There was no loss of life and only one seaman was injured. Both vessels involved had pilots aboard, and I am looking into the matter further.

SUPPLY

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

INTERIM SUPPLY

Resolved, that a sum not exceeding $377,400,841.02, being the aggregate of—

(a) one-twelfth of the total of the amounts of the items set forth in the main estimates for the fiscal year ending March 31, 1964, laid before the House of Commons at the present session of parliament, except agriculture item 100, atomic energy item 5, external affairs items 78 and 107, fisheries item 45, mines and technical surveys items 45 and 80, northern affairs and national resources items 5 and 10, public works items 20 and 190, transport item 35 and loans, investments and advances item L20 for which no amount is being released, $318,822,963.00;

(b) an additional two-twelfths of external affairs item 105 and finance item 45, $4,700,000.00;

(c) an additional one-twelfth of mines and technical surveys item 140, national film board item 1, northern affairs and national resources item 80, post office items 5, 10 and 15, public works items 150 and 165, transport items 40 and 220, loans, investments and advances item L70, $21,342,422.50;

(d) one-twelfth of the total of the amounts of the items set forth in the supplementary estimates (A), for the fiscal year ending March 31, 1964, laid before the House of Commons at the present session of parliament, except external affairs items 96a and 117a, finance item 5a, northern affairs and

national resources item 110a, and loans, investments and advances items L13a and L63a for which no amount is being released $24,023,455.00;

(e) an additional one-twelfth of finance item 45a, $83,333.34;

(f) one-twelfth of the amount of the item set forth in the supplementary estimates (B) for the fiscal year ending March 31, 1964, laid before the House of Commons at the present session of parliament, $583,333.34;

(g) one-twelfth of the amount of item set forth in the supplementary estimates (C) for the fiscal year ending March 31, 1964, laid before the House of Commons at the present session of parliament, $1,666,666.67;

(h) one-twelfth of the amounts of the items set forth in the supplementary estimates (D) for the fiscal year ending March 31, 1964, laid before the House of Commons at the present session of parliament, except external affairs item 117d for which no amount is being released, $6,178,667.17;

be granted to Her Majesty on account of the fiscal year ending March 31, 1964.

Mr. Thompson: In making my comments today I shall try to be brief. The occasion is vitally important but I do not share any enthusiasm for unduly prolonging this debate.

The recent federal-provincial conference is now history. While it did not turn out as well as some may have hoped, it certainly did turn out a great deal better than many feared it might. I would commend the Prime Minister for his detailed report and explanation yesterday. I think it has helped all of us, as well as the nation, to understand the government's view of what was accomplished at the conference and the results which may be expected from it.

Perhaps no federal-provincial conference had received so much negative publicity in advance. The entire tone of the news media during the weeks preceding the conference indicated that Canada was headed into a major crisis which might well mean the splitting of our nation in two. Such was not the case, and I am sure Canadian citizens from Vancouver island to Newfoundland are relieved that it was not so. I believe every provincial premier, in spite of certain areas of difference which existed among them, should be commended for this demonstration that not one of them would have any part in demands which would pull Canada apart at the seams.

Let us hope we are entering upon a new era of consultative confederation. It is my hope and prayer that the conference in Quebec city in 1964 will prove as vitally important to continuing confederation in 1967 and beyond as the original Quebec conferences in 1864 were vital to the establishment of confederation and its continuation up to the present time. Perhaps the conference last week will represent a turning point in the history of federal-provincial affairs.

Another commendable feature was the decision to hold a number of ministerial conferences in the months ahead. We hear that the ministers of agriculture are to get together. The finance ministers will also get together to discuss matters relating to the next federal budget. The ministers of health are to get together to consider the problems arising from a hospital insurance scheme. This is an important subject on which there must be further consultation. We hear that the representatives of the different governments are to get together to consider ways in which more administrative responsibility relating to Indians and Eskimos can be passed on to the provinces. This is the type of continuing consultation which Canada needs. I believe this is progress, the kind of progress Canadian people expect from their elected governments.

I was interested in a point which Premier Lesage made in relation to this matter, when he said:

> The present policy of making decisions behind hermetically sealed doors in different sectors of government is no longer at all possible.

That statement is very true. I was particularly gratified to hear that the Prime Minister indicated there would be some form of secretariat for co-ordination and liaison established. I would again urge the government, as I have done many times in the past, that the time has come when a full fledged department of government should be established for this purpose. In our federal government in Canada we need a department of federal-provincial affairs. I am pleased to know that the hon. member for Burnaby-Coquitlam also supports this suggestion. We know that several provincial governments have already set up their counterpart ministries, indicating again that perhaps the provincial governments are ahead of the federal government in bringing in many of the logical reforms that are necessary.

I would say to the Prime Minister and to his government that diplomacy is good. There was a real place for it in the recent conference, but diplomacy in itself is not enough. We urgently need some leadership in Canada with relation to confederation, the holding together and the building up of our nation to the kind of country that we like to think Canada is. I should like to refer to a very interesting comment in this regard made by Premier Robarts of Ontario, as reported in the Montreal *Star* of December 2:

> "A generation ago," said Mr. Robarts, "it was still quite reasonable to expect that many activities of the federal and provincial governments in the economic field could be carried on separately without much fear of duplication or contradiction. ... The impact of governmental activity is now so great that unco-ordinated action by several levels of government can have serious effects on our economic development."

I would add, on the whole picture in Canada as it relates to confederation and to the nation, Canada.

However, this does not mean that every problem has been settled. Far from it. Nor are the decisions reached at the conference the total and final answers. Far from it. The new fiscal arrangement providing $87 million extra for the provinces is not really the basic item of importance. At best it is a temporary, makeshift agreement. We must have a more durable agreement, one that can continue at least for the foreseeable future.

I am concerned about the taxpayer. The struggle has been for the taxpayer's dollar. I am sure the taxpayer will realize more than ever before, that it is not as important to whom he pays his tax dollar or who it is that is going to spend it. He is concerned about how many more tax dollars he is going to be forced to produce in order to meet the demands of increasing governmental costs. The one thing that John Doe taxpayer can be sure of as a result of the conference is that his taxes are going to increase, and that the deficits are going to increase as well because the $87 million more than last year that is to be turned back to the provinces is going to have to be raised somewhat. The only source is out of the taxpayer's pocket or else out of further borrowings by the government. The only other alternative is that the government will drastically reduce its own expenditure and this does not seem possible, particularly in view of what has happened this year when we expect to have an even higher deficit although the Minister of Finance very carefully explained in his budget presentation that he hoped to decrease these deficits which he recognized could not continue.

We can say that a lot of good was accomplished by the conference, but when all the good about it has been said a dreadful, hollow feeling still remains, if we will be honest with ourselves. A little more haggling, a little more patching up, an agreement to discuss some other points later; is this the best that can be done at this critical time when we should be rethinking the whole situation and laying down a pattern for the entire basis of confederation? If this is it, then I do not believe this government can be regarded as anything more than a caretaker government, an administration that cleans up some of the leftovers from the previous occupants of the seats of power, an administration that tidies here and there and sweeps and dusts, but an administration that is not making progress in solving the basic problems of our confederation because it does not seem to know the direction in which it must go.

The premier of Alberta, Mr. Manning, in his opening statement asked the conference to lay out a basic groundwork of sound principles that could be a guide in working out the whole basis of federal-provincial relationships in the future. This seems to me the logical first step in providing the answers for the future, but the conference took no action on this suggestion. What has emerged, particularly when it comes to the apportionment of tax equalization payments, can be attributed to no really sound principles at all. It was a solution that was expedient, and probably necessarily so for the time being; but what about the future? In my opinion Johnny Canuck's pocketbook is up for grabs. We have yet to see those sound and constructive financial policies which are the clear responsibility of the federal government and which will fill that pocketbook sufficiently for Johnny Canuck to be able to pay what is required of him. Again, it is not how we are going to spend a dollar that he has available today but how are we going to expand the entire economy so there will be more dollars available to the taxpayer and more for governments as well.

It is in the light of this entire picture that it is important that steps be taken whereby the financial operations of the federal government can meet the problems that the different levels of government face, and so that the private sector of the economy can give assurance to the nation that we are really going forward and expanding. The Minister of Finance will surely agree with me that if we could relieve the federal government of its burden of debt and its burden of interest payments we could then place the creation of an adequate money supply, which the economy of the country needs, on an orderly basis through the Bank of Canada, which after all was created for that very purpose. That was why it was brought into being, as the prime minister of that day explained, and if this were done there would at least be some hope for a financial future for the federal government, the provincial governments and the country as a whole that would not involve complete collapse under intolerable levels of taxation and interest costs and ever increasing deficits. As it stands at the present time, there is no alternative prepared or projected for this problem.

I maintain that unless we can do this we will continue to have conferences which will attempt to patch up and make something work which is really not working at all. Provincial and municipal governments are forbidden by law to invade this federal field. Therefore the entire responsibility falls back on the federal government. The other levels have their own responsibilities but they do

not have the funds to carry them out. This past conference has not changed the over-all situation in this regard one single bit. This wrangling over money, with all the bitterness and discord that it generates between the provinces and the federal government, is bound to provoke more, and it will go on until there is an entirely new approach to our nation's fiscal requirements at the level of the federal government.

I might ask the question, what are some of the basic ground rules governing the powers and responsibilities of the federal and provincial governments with which we must be concerned? I believe it is idle thinking to think that we can have a single and united country if we do not have at least a minimum of co-ordination in fields such as welfare, employment and living standards throughout the whole nation. Whether or not the letter of the constitution states it in those words, I believe it must be recognized everywhere that the federal government does have a moral responsibility to the people of the entire country for the maintenance of standards in these fields. Rich provinces turn their backs on the poorer provinces and deny them help in attaining at least the minimum standards which we believe necessary in Canada in this twentieth century. On the other hand, the principle of provincial autonomy and individuality is one that we must prize and respect at all times.

I believe the answer for the future must lie in a new pattern of division of powers between federal and provincial governments. Our present division of powers in Canada today is a vertical one. It allocates some fields of activity here and some there. More and more I believe, especially where matters of a social nature are involved, we must work toward a division of responsibility which runs not on a vertical basis but on a horizontal basis. The federal government must be responsible for seeing that there are certain basic standards maintained in the fields of health, social services, pensions—yes, perhaps even the field of education. It must do that, but it must not do more than that.

If what is considered an adequate basic standard for Canada as a whole is not considered suitable in richer provinces, which also have higher living costs, then it must be up to such provinces to supplement the basic standards at their own expense. In turn, federal plans must be flexible enough to allow them to have supplementary provincial programs built on top. Only in this manner, I believe, will it be possible for us to achieve a unity in national basic standards, with enough diversity to make provincial governments capable of satisfying the more particular wishes of their people. Eventually the division of powers has to be reviewed in the light of the changing conditions which are before us, and this division has to be applied on horizontal lines rather than a strictly vertical one because it is only in this way that we can maintain these basic minimum standards.

If the picture is reviewed in this light, this can be done without interfering with the responsibilities of the provinces. This will demand close and continuous liaison between governments at the federal and provincial levels, which I believe would be best achieved if we had in the federal government a separate department of federal-provincial affairs.

I appreciate very much the fact that this conference has produced plans which will permit further and continuing consultation. I think it has been good that there has been provision for these ministerial conferences. It is excellent that the time and even the place has been set for the holding of the next federal-provincial conference. I do hope the government will start now to get down to these basic problems with which they should be dealing, both in the ministerial conferences and the other conferences. Then perhaps these conferences can accomplish some of the fundamental decisions which must be made in connection with the planning and the groundwork for the development of confederation and for the continuance of confederation in order that Canada may stay a nation.

[*Translation*]

Mr. Pigeon: Mr. Chairman, I would like to take the opportunity afforded by our discussing interim supply to relate my remarks, for a few minutes, to the federal-provincial conference.

At the outset of that important conference, two major organizations of the province of Quebec, namely the boards of trade of the province of Quebec and the federation of the St. John the Baptist societies, expressed their views and condemned, as it were, the present tax agreements. Both organizations stated that those agreements could only lead to a monolithic state, and they requested the federal government to give back to the provinces their right to levy taxes and also to return to the spirit of confederation.

The pact made in 1867 between the two great nations of the country must be fully respected and the federal government should leave to the exclusive jurisdiction of the provinces such fields as education, social security and others which, in the spirit of confederation, normally come under the provinces.

In my opinion, the federal-provincial conference has been a failure. No one is satisfied; not a single province is happy with the results and I am not surprised.

Mr. Chairman, I should like to refer to part of the budget speech made by the Minister of

Finance (Mr. Gordon) on June 13 last and to an excerpt of the famous book written by the President of the Privy Council (Mr. Lamontagne). I regret that the latter is not here this afternoon, because I should have liked to put certain questions to him and to ask him to give us his impressions of the results of the federal-provincial conference.

Here is what the Minister of Finance stated in the house:

> The federal government has a special responsibility in the matter of ensuring adequate production and employment throughout our country. Fiscal policy is an important means of achieving this objective. Most people will agree, I am sure, that if the federal government were to give up a major part of its present revenue sources, even in exchange for compensating expenditure adjustments, its ability to exert an influence through fiscal policy over the level of economic activity in Canada would be weakened.

As for the President of the Privy Council, in his book entitled "Canadian Federalism", he said:

> The doctrine that defines federalism as a form of political unification where sovereignty is shared by several governments having their own and exclusive sphere of jurisdiction is therefore not acceptable.

I wish to emphasize.

> "therefore not acceptable".

That is from page 246 of the book written by the President of the Privy Council.

> It is therefore the participation of all governments in the main responsibilities of the state which must become the general rule. (p. 248)

And on page 264, the President of the Privy Council concluded:

> Consequently, central government subsidies to the provinces seem unavoidable at this time and strongly in line with traditional politics in Canada. The tax agreements system designed to solve the provinces' financial problems is one solution based upon federal grants.

Mr. Chairman, we, on this side of the house, agree that the federal government undeniably has responsibilities, but the fact remains that the provinces also have responsibilities.

Members on the government side often speak of priority needs and that is why I regret that the President of the Privy Council is not here.

I would be most happy if the Secretary of State (Mr. Pickersgill) were to give us the list of the federal priority needs. If such a list were given to the house by the present government, it would make for more orderly discussion at the next federal-provincial conference. Knowing the central government's needs, the provinces would know what direction to give to their discussions and that would surely contribute to the success of future federal-provincial conferences.

[*Text*]

Mr. Pickersgill: Mr. Chairman, I think I should answer the hon. gentleman's question right now. I think the needs are exactly the same as they were a year ago when he was a fervent supporter of the government of the right hon. gentleman.

Mr. Pigeon: I will answer this question, Mr. Chairman.

[*Translation*]

Mr. Chairman, when we were in power, the provinces had recovered a great part of their taxation rights. Unfortunately, the opposition parties did not leave us enough time to go on with our work. Nevertheless, I may assure the house that we decentralized taxation powers, and we never heard as bitter a criticism from the provinces, as was recently voiced by some premiers.

Mr. Chairman, it must be admitted, as I said before, that the provinces have essential needs. Now, apart from being essential, those of Quebec probably have some priority, because the province has a different culture and language, and, therefore, different needs.

To my mind, though it is important for the other provinces to have their own taxation powers it is still more so in the case of Quebec, because the province dislikes being told by a central government, which is to a great extent Anglo-Saxon, what its cultural, educational and other needs should be.

I think that this is an unsound procedure, and if we really wish to reach agreement at the national level, the province of Quebec should look after the fields under its jurisdiction. Therefore, Quebec is sensitive when the federal government tries to impinge upon the educational field, because the federal concept of the problem, or rather the federal mentality, is certainly not in accord with the Quebec mentality.

Of course, I know that other provinces look favourably upon agreements concerning joint plans. I can understand that attitude, because people in those provinces are mostly English speaking, and, therefore, in agreement with the attitude of a largely English speaking federal government. But what the province of Quebec wants, for instance, are its own sources of revenue, because it objects to a mostly Anglo-Saxon federal government's looking after its culture and educational needs.

As I said before, Mr. Chairman, it is unfortunate that during the last federal-provincial conference, the central government should only have given some scraps to the provinces. Indeed, I would say that the conference has been a failure.

The premiers are dissatisfied. Even Mr. Lesage publicly expressed his discontent as a few months ago, he had asked for an amount of $150 million. Therefore, I said that the provinces just obtained a few scraps.

What is going to happen now, Mr. Chairman? School taxes will be constantly rising in all provinces, and more particularly in the province of Quebec.

Indeed, we recently read in the papers that the Quebec farmers had threatened to refuse to pay the government taxes which were increasing at a terrific rate.

Mr. Chairman, I admit that the federal government has powers of its own, but the provinces also need more money in order to meet their requirements.

I feel that Mr. Lesage was inconsistent when he publicly denied having used the word ultimatum. This fact was proved actually on a television program, as evidenced by the following report published in *La Presse* of Friday, November 29, 1963:

> Lesage actually termed his requests as an "ultimatum". During the program "Aujourd'hui" on channel 2 yesterday, was shown part of a press conference held last April in Quebec city which proves beyond doubt that Premier Jean Lesage actually termed as an "ultimatum" his fiscal requests for greater taxation fields.

Mr. Chairman, I think that when Mr. Lesage used the word "ultimatum" during an electoral campaign, he did so without knowing which government would be elected. But now he wants to back out. He cannot use the same word, because his friends are here in Ottawa.

If Mr. Lesage really wants to keep the promise made to the people of the province of Quebec, I feel that he should take some positive action to provide for the needs of his province and proceed as he said he would, namely to establish double taxation.

Even the Quebec premier is dissatisfied with the treatment received from Ottawa. In fact, I am surprised by his stupid attitude when he asks the Quebec people to vote for the present government at the next election when he knows that this same government refuses to accede to his requests and to surrender to his ultimatum, because he did use that word.

And what happened to the related questions? We asked some questions about the transfer of New Quebec Eskimo affairs to the province of Quebec, about joint programs and lotteries. It would seem that nothing, absolutely nothing has been solved. All these problems have been postponed for further studies. I feel that the federal government is not entitled to rejoice, when confronted with the fiasco of our last federal-provincial conference. All the premiers are dissatisfied with the prevailing situation.

As I said a moment ago, it is a pity that the President of the Privy Council is not here at the moment; he could have told us about his plans for the future, and commented upon the reactions of the various premiers after the conference.

Mr. Chairman, before concluding, may I be allowed to say that I sincerely hope that our next federal-provincial conference will meet with more success, and will answer more fully the wishes of the provincial premiers; I am inclined to doubt it, after the last fiasco. To my mind, the premier of the province of Quebec has not carried out his promises to the people of Quebec, and has gone back on his own positions.

Mr. Deschatelets: Your party is quite used to fiascos, and it can chalk up quite a few of them.

Mr. Pigeon: Mr. Chairman, if the Minister of Public Works (Mr. Deschatelets) wishes to take the floor, I will be glad to let him do so. I would be happy to hear this minister from Quebec tell if he feels that the decisions taken by the federal-provincial conference are really satisfactory.

He could tell me what he thinks of Mr. Lesage, his ultimatum and his retreat?

When Mr. Lesage says the federal government should think in terms of human resources rather than in terms of guns and cannons, I would like to know whether the Minister of Public Works shares his views. I am giving him right now an opportunity to let us know.

Mr. Deschatelets: Mr. Chairman, I just have to say one word which will summarize my whole thought. The time for speeches ended in April last, the present government is one of action.

Mr. Pigeon: Mr. Chairman, when the minister says the time for speeches ended—

The Chairman: Order. I think the hon. member for Joliette-L'Assomption-Montcalm yielded the floor to the Minister of Public Works.

Mr. Pigeon: It was simply to give the minister a chance to make a short speech during this session.

The Chairman: The hon. member for Joliette-L'Assomption-Montcalm yielded the floor to the minister, who joined in the debate. I do not believe the hon. member can say: "I gave the minister an opportunity for making a short speech, and as it was very brief, I shall resume."

Mr. Pigeon: I wonder if the house would unanimously allow me to conclude my remarks.

[*Text*]

Mr. Pickersgill: I hope we will let the hon. gentleman finish.

[*Translation*]

Mr. Pigeon: Mr. Chairman, the Minister of Public Works talks about speeches and action; I wonder how it happens that the President of the Privy Council spends his time travelling across the country making speeches every day. It seems to me that the minister's language is rather illogical.

Mr. Choquette: He does not make speeches, he advocates action.

[*Text*]

Mr. Deachman: Mr. Chairman, I listened to the remarks of the right hon. Prime Minister, and others in this debate, on the subject of equalization with a great deal of interest because I am very mindful, coming from one of the provinces on the extremity of confederation, of the necessity for equalization in cementing confederation. I am also mindful however that equalization and our capacity as a nation to make payments on equalization are based upon taxation.

I am also mindful that taxes in return must be taken from the people and the corporations which earn the money to pay them, and in turn taxes cannot come at optimum levels unless first there are profits, and profits come from efficient and competitive industry wherever it is found in Canada. It was for this reason I was a little astonished yesterday when I learned that a company, which would be located in an area which I really doubt has the capacity to produce its product economically, has been awarded a contract to supply deuterium to the Canadian government. Hence, when we discuss the question of equalization, this poses the question as to whether or not taxes will ever flow to the Canadian government from that plant, for the purpose of participation in equalization.

To understand this, perhaps I had better go back a little bit and explain what the position of Canadian industry and the Canadian people is, relative to a plant such as a new deuterium plant to be established in Canada. We got into nuclear science during the course of the war, and subsequently, and grew up to be possibly the only country in the world with a nuclear capacity large enough to build a nuclear bomb, if we wanted to. We decided however that what we would do with our nuclear capacity, and with our scientists with nuclear knowledge, was to engage in peacetime pursuits.

We followed a course in this field somewhat different from that followed by the United States and other nations working along the path of developing the science of nuclear physics. In particular we chose to build a reactor in this country which burned unrefined uranium. This was a very valuable thing in its way, because to refine uranium, first of all you must have a whole new industry, a uranium refining industry, and this is quite an expensive industry.

The United States on the other hand took the other course and built reactors which burned refined uranium, and also built themselves uranium refining plants. We moved along the course of developing our raw uranium, or unrefined uranium reactors, for some considerable time, and it was not a particularly profitable venture in physics. We were considered to be the Cinderellas in this business, and to have made a mistake in the direction we took.

There was another factor in these reactors which was rather strange too, and in which we were pioneers, and this was in using heavy water as a modifier to check the radiation of a reactor down to usable levels; and as deuterium is really a form of heavy water it could also be used as a cooling agent. So, it served two purposes,—as a modifier for our unrefined uranium reactors, and as a cooling agent to cool the heat of the reactors.

The United States had experimented along this line, but it was not the main line which they followed. They had made some deuterium, and I may say that deuterium is made relatively simply in a chemical plant, somewhat similar to a cracking plant that you find at an oil refinery. It is made by applying vast quantities of heat to water, in conjunction with sulphuric acid, and out comes deuterium.

As I say, the United States had made some at considerable cost, pretty much upon an experimental and not upon a commercial basis. As time went on, and as people in this country began to realize that the cost of building reactors was coming down, we were getting to a point at which reactors could be built at costs comparable to electricity generated thermally in areas where there was no available hydroelectric power, and it was realized that we could actually get into the business of building power reactors on a commercial scale.

Also, in having some skill in this field it looked as if Canada was on the verge of coming into a new industry, an industry in which we Canadians had built a particular skill and had some scientific knowledge not available in the rest of the world. We were a leg up; we were on the march towards doing something in which other nations, even with high skills and technology, would have a difficult time competing with us. We had a particular advantage in that we had been

the students, and we had the know-how relative to the operating of reactors of unrefined uranium.

To build these reactors, to make them cheap enough, and to make the electricity which flowed from them cheap electricity, competitive with thermal electricity, what we needed was cheap deuterium, because deuterium is a large factor in the cost of building a reactor of this kind. If we did not have cheap deuterium, then the cost of the reactor would be expensive, and the electricity which flowed from it would, as a consequence, be expensive power and not competitive with thermal power.

First of all, if we succeeded in building a plant which produced cheap deuterium we then had an opportunity as Canadians to sell deuterium abroad—and not only that, but to sell reactors and the whole technology of reactors, in the same way that today some Canadian engineering firms are enormously competent in the design, building and installing of paper making machinery in countries all over the world.

This presupposed that to have an industry like this, a national industry, an export industry, we would seek wherever we could in Canada to find the cheapest possible source of power to extract the deuterium we needed. Where would you go for such power? Well, you could go to gas wells. There are gas wells on the prairies, for example, which are so dirty that they have wet gases which have to be cleaned from the wells before the gas can be used for domestic purposes. This makes it almost an uneconomic proposition from the business point of view; but it is burnable gas, and when used in an industrial project of this kind is about the cheapest kind of power you could find.

Then there are several ways of getting very cheap electricity. For example, there are the open coal pits, or strip mines, where the cheapest kind of coal can be obtained and burned for the purpose of extracting deuterium from the water. But what puzzled me, and I am not an authority in these things, was that I found that the contract had been let to a company which would put down its plant on one of the most expensive sources of fuel in Canada. I can only think that, having done so, the cost of producing deuterium in this country is not likely to be an economical cost, or a cost which will make it desirable for Canadians to enter the export market in this new scientific field on a large scale. Therefore, to follow up the advantage and the knowledge we have in the nuclear field of raw uranium reactors, we have put into Canada an enormous amount of money. A great many millions of dollars has been

put into the building up of this nuclear technique and in acquiring the skills we have. I can imagine that we are about at the stage where benefits will flow from this investment. Therefore I hope I am mistaken when I see a deuterium plant put down on an enormously costly source of fuel, rather than on the cheapest source of fuel to be found in the country. I hope that is not in the long run to be the way we extract deuterium, although certainly on the surface it appears that it is.

I earnestly feel that there are profits to be made in Canada in the very near future in the nuclear field from the know-how we have accumulated. Having given this brief explanation of our costing methods and our capacity to compete in business, I hope the committee will be mindful of the advantages that we as a nation have in this field, rather than considering it merely an unprofitable venture and constructing plants, letting contracts and engaging in further work in nuclear physics in ways which are uneconomic. We have gone through that stage and have now acquired the know-how. Our task in the future must be to make this thing pay. I hope the government will move in that direction, and make it a paying proposition instead of a burden upon the Canadian people.

Mr. Fairweather: Mr. Chairman, as I listened to the last speaker I could not help but wonder whether he had given the Minister of Industry the benefit of his advice. There are, of course, many reasons other than cost which I presume were in the government's mind when they selected Cape Breton island as the location for this new plant, not the least of which would be the reason that it is an area of high unemployment. Presumably such location would also follow the government's much heralded plan for regional development.

However, I am not going to get into this field, in which I am not competent to speak. I have one or two things on my mind and I am going to take about ten minutes to get them off my mind. In his statement to the federal-provincial conference last week, the Hon. Duff Roblin discussed what he called a crisis of priorities. This is an apt phrase, and I want to develop it in so far as federal aid to university education is concerned. This is an area of our contemporary life which is rapidly reaching crisis proportions and one to which I do hope the new government will give its early attention. The much heralded Liberal party scholarship plan will be useless if the universities cannot accommodate those in receipt of these scholarships.

Last May the Canadian universities foundation presented a brief to the Prime Minister. To date the government has made no announcement of its intentions. The brief is a

clear statement of the problem of enabling Canadian universities and colleges effectively to meet their great responsibilities to the Canadian people. The brief outlines three specific needs. These are, first, grants for Nova Scotia and New Brunswick universities made necessary by the number of universities. Second is the expanding need for new construction of research facilities in medical schools and university-affiliated teaching hospitals. By the way, many of us heard the forcefully outlined statement about this last Thursday by Dr. John McCreary, dean of the faculty of medicine at the University of British Columbia. The third specific problem was the provision of funds for the construction of university libraries and the purchase of books and library research aids. Of course, these problems do not touch the over-all serious crisis concerning aid to universities as such.

In its brief to the Prime Minister the foundation makes the bold and arresting statement that it is—

> —alarmed by the fact that Canadian institutions of higher learning are steadily falling further behind in providing facilities for rapidly rising student enrolment and in satisfying the growing demand for professional and post graduate education. Available facilities become each year more inadequate.

I have had the privilege of a close association with the president of the University of New Brunswick. I know of the work he is doing and I know of the crisis of priorities as it refers to that university's plans. I know that prompt action is essential. Last month Dr. Davidson Dunton, president of Carleton University in a report published last month which received some editorial comment, gave this problem careful and thorough attention so far as his particular university was concerned.

The Canadian universities foundation brief is studded with words like "crisis", "urgency", "increased enrolments", "need for action", "promptness", and many others. These are not idle words loosely spread through the brief; they are all documented by statistics and examples of their aptness.

I urge from the remote opposition backbenchers immediate action on the part of the government. We do not need large committees planning for our one hundredth birthday. Our centennial program could be started tomorrow. It could take the form of a plan for massive attention to the known needs of our universities. It would be a recognition by the government that it understands the need for priority in this area of our responsibilities. We seem to be able to commit millions for world fairs, but are hesitant about a genuine and concentrated effort to aid the universities of Canada. I commend the brief of the Canadian universities foundation to the government and, if I may say so, to parliament. In support of this brief, if any support is needed, let me remind the committee that just two years ago the national conference of Canadian universities and colleges met in Ottawa. The proceedings were published and the resolutions are there for us to heed. I also commend this document to the government and to parliament.

Surely, we must acknowledge a "crisis of priorities" in Canada. I suggest that one of our centennial projects could take on philosophical, yet surely basic, overtones and that we give our universities and schools the necessary facilities so that they shall not, as Mr. Walter Lippmann suggested over 20 years ago, "continue sending out into the world men who no longer understand the creative principle of the society in which they must live."

I have a second and more modest centennial project. I deplore the fact that we seem to need deadlines and anniversaries to focus our attention on needs which know no such artificial timetables. Could we not make funds available so that by 1967 Canada would have ten times more young people serving in other parts of the world under the auspices of the Canadian universities service overseas?

I had a modest proposal before this parliament but, by a paradox which I have not forgotten, it was talked out by the hon. member for Vancouver Quadra, who defeated the distinguished former secretary of state for external affairs. This was irony of the highest order. I saw many of these dedicated Canadian men and women when I was in Malaysia recently. This program needs money from government. It has not enough, now, to look after the volunteers who are ready to serve. I suppose that if the energy and funds used over the years to get an acceptable design for a Canadian flag had been used to pay travelling expenses for Canadian technicians and teachers to go across the earth, the current need would have been met many times over. In my simple philosophy this is another question, if not a crisis, of priorities.

I have one or two other observations to make about my journey. First of all, the people serving Canada in embassies and high commission offices abroad were most thoughtful and attentive. I thank them publicly for this. But I hope the committee studying the Canada Elections Act will suggest a formula whereby these Canadian citizens can vote in future elections. This should be easy to get established. Most other countries give their foreign service staffs the privilege of voting. Canada should do this, too, and I hope the committee will attend to the matter soon.

In the United States a private foundation has been set up—the Woodward foundation, I think it is called—which buys paintings and sculpture and other works of art. These are then sent on loan to foreign posts on a revolving basis as representative of United States culture. Canada might well introduce a program on similar lines. Perhaps one or more of our great corporations would be prepared to undertake this enlightened public service. Our artists would be helped and our embassies enhanced.

A last minor complaint about amenities for Canadian public servants abroad: In this age of the immediate, why is it not yet possible for Canada to provide up to date Canadian news to our staffs anywhere in the world? Perhaps some would doubt whether there is much Canadian news deserving of such attention and priority. However, I strongly suggest that C.B.C. news bulletins arriving in some embassies five or six days after the event make the items contained somewhat less than compelling.

I trust my suggestions will receive the early attention and broad non-partisan support to which they are entitled.

[*Translation*]

Mr. Perron: Mr. Chairman, I feel I must make certain corrections before the conclusion of this debate. I do not intend to talk at length about all the remarks which have already been made concerning that famous federal-provincial conference. So my remarks will be about the comments that were made after the conference.

The Leader of the Opposition (Mr. Diefenbaker) claimed yesterday afternoon that the federal government was unduly influenced by the claims of the premier of Quebec. If by that he means that once more the province of Quebec received a special treatment as a result of the conference, he is wrong.

Referring to some newspaper articles, we realize that the results which seemed to be a step toward a new form of federalism have not attained the objective which had been set; far from it, it seems that the misunderstanding between the provinces is getting worse all the time.

The comments made on the radio on television and in the newspapers concerning the results of this federal-provincial conference are forever stressing the fact that the province of Quebec may have been favoured more than the others because it will receive nearly $42 million out of the $87 provided under the equalization agreement.

Here is a comment published in *Le Devoir* of December 3, 1963 and written by Mr. Marcel Thivierge, which says:

[Mr. Fairweather.]

Of all the provinces receiving equalization payments from Ottawa, Quebec is still getting the least per capita.

At first, when you find that, following the federal-provincial conference, Quebec is to get $42 million out of the $87 million that the federal government is handing over to the provinces for the next fiscal year, you wonder whether there has not been some favouritism shown there.

This allows Mr. Diefenbaker to state that the Pearson government has just yielded to pressures from Quebec.

However, if you take a closer look at the figures, you will find that Quebec is far from getting special treatment.

Indeed, you will find that Quebec is getting the lowest amount per capita as far as equalization goes. If to those payments you add the special grants to the maritime provinces, the amounts per capita are as follows:

Quebec, $18.11; Newfoundland, $38.34; Prince Edward Island, $35.82; Nova Scotia, $32.91; New Brunswick, $35.52; Manitoba, $18.27; and Saskatchewan, $26.52.

If you add up what the provinces will receive through an increased share of taxation revenue (the 18-9-75 formula)—

—compared to the 25-25-100 formula—

—equalization payments and special grants to the maritimes, you will find that Quebec receives $50.02 per capita compared to $61.01 for Ontario. The other provinces receive per capita grants as follows: Newfoundland, $95.34; Prince Edward Island, $90.25; Nova Scotia, $72.69; New Brunswick, $75.31; Manitoba, $58.63; Saskatchewan, $53.00; Alberta, $44.67; and British Columbia, $54.68.

At $50.02, Quebec gets much less than the average which is $60.14.

This is where, in my opinion, it becomes necessary to set the record straight, and I wish that those who claim that Quebec got preferential treatment would keep quiet because there are official and non-official figures.

Mr. Chairman, at the outset of that famous conference, the Canadian people still hoped that confederation would move forward, but it merely gave a new direction to our federal system and provided a new formula to prevent the shameful spectacle of governments quarrelling over taxation powers. As a result, the Quebec premier who went to the conference as a lion came back as a lamb. I was not the only one to have that impression. In an editorial published in *L'Action Catholique,* last Saturday, parliamentary correspondent J. M. Poliquin stated that some people were dissatisfied with the results of the federal-provincial conference. Amongst other things, he wrote this:

It is with mixed feelings of satisfaction and dissatisfaction that Mr. Lesage came out yesterday of the federal-provincial conference room in Ottawa He was pleased about the way Mr. Pearson had led the proceedings of the eleven upper level governments of our country. He paid him an unqualified tribute, saying during yesterday afternoon's press conference. Mr. Pearson fully exercised his natural talents for diplomacy, he is an extraordinary man, he knows how to voice an opinion contrary to another, while showing respect for our

ideas; he seeks to achieve a balance between the provincial needs and the resources of the federal treasury.

Therefore, he is quite satisfied with the great diplomacy showed by the right hon. Prime Minister of Canada.

Last Sunday, during a radio program in my riding, I asked taxpayers whether they were satisfied to see that the $150 million claimed by the Quebec premier in his ultimatum of April 5 last had come down to $42 million during the federal-provincial conference. I asked then whether they considered reasonable the allegations of the minister of education, Mr. Gerin-Lajoie, claiming that within three years, $500 million at least will have to be devoted to education in the province of Quebec.

My question was as follows: From now on, shall we build schools in the province of Quebec with Quebec unemployed, with materials supplied by the country or the province of Quebec, and pay for them with diplomacy?

I also direct this question to taxpayers today.

In my opinion to claim that the federal-provincial conference was a failure is saying a lot.

I know that some circles are under the influence of economic experts who claim that it is a utopia to talk of monetary matters. It seems more logical to them to waste time dabbling in fiscal matters. Personally, I feel it is much more difficult to solve problems by taking only fiscal matters into consideration, than by rejecting the system that created this economic disagreement and this lack of understanding in economic and political fields in this country, I mean taxation.

Mr. Chairman, whether we like it or not, the province of Quebec must protect its rights in the field of education. That field has been recognized by the Canadian constitution, as one pertaining to the province of Quebec.

If some rights have been yielded, on account of the 1939-1945 world war, on the pretence that priority had to be given the federal government in matters of national defence and commitments entered into at the time we were taking part in that world conflict, 20 years after the end of that conflict it is high time not only that we review the taxation question but that we find a way to remove the seeds of discord resulting from the Canadian taxation problem.

The Prime Minister was saying yesterday that he had imposed nothing, that in the course of his opening speech, he had not even dared make a suggestion, as he wished to let the provincial governments be entirely free to express their opinion.

Representations have been made, most of the provinces have submitted written briefs, but one cannot help but realize the deep contradiction in the views of the provinces on the problem of taxation in Canada. For there is an unquestionable fact: certain provinces cannot, within the framework of the present financial system, obtain the funds they need to contribute normally to the development of Canada as a whole, by developing both their own natural resources and the already existing industrial facilities; they cannot produce fully.

For those provinces, the present tax system, under the equalization formula, may seem adequate to develop their natural resources. However, the procedure is outlandish: promises are being made. The hon. member for Burnaby-Coquitlam (Mr. Douglas) mentioned yesterday that the Liberal party had promised that in the equalization system the revenues of the richest provinces would be taken into consideration.

Now, a conference has just been held during which this was not taken into account and the promises made in the last three or four years have been constantly disregarded.

Even though this could be accepted, I feel it would be doing on a large scale what is actually being done on a small scale. Is it not under the pretext of helping the poor nowadays that the well-to-do are being taxed? Under the pretext of helping the have-nots, the haves are being dispossessed.

Thus, under the pretext of helping certain provinces which are unable alone to reach their full economic and cultural development that they have a right to expect, other sources of income must be sought.

The hon. member I quoted earlier rightly said: A new formula might finally have to be found. I do hope so, moreover, but we did not hear of many suggestions during that famous federal-provincial conference. However, some premiers having a sufficient knowledge of our monetary system and its deficiencies were supposed to attend. We were, therefore, justified in expecting suggestions rather than a battle about taxes around the famous federal-provincial conference table.

I have here the Canada Year Book, 1962, in which the function of the Bank of Canada is concisely stated, I admit it, as follows:

Legislation of 1934 provided for the establishment of a central bank in Canada, the function of which is to regulate credit and currency, to control and protect the external value of the Canadian dollar and to stabilize the level of production—

Perhaps it could be added that it would be a very good thing also to stabilize the intrinsic value of the Canadian dollar.

It says also:

> to control and to protect—trade, prices and employment so far as may be possible within the scope of monetary action.
>
> The bank has the exclusive right to issue notes which are to be used in Canada.
>
> The bank is operated by a board of directors consisting of a governor, a deputy governor and 12 directors. The deputy minister of finance sits on the board of directors...

The Bank of Canada, therefore, comes under the federal parliament through the Minister of Finance, and it is governed by a piece of legislation passed under the terms of the constitution.

The role played by the bank is defined in the Canada Year Book. The bank deals also with the monetary question, not only with regard to the stability but the international and national value of the currency.

When it comes to determine the amount of goods that the Canadian citizen can buy with a dollar which may be available to him, there is a whole accounting force which affects and establishes the price which the purchaser of any goods will have to pay.

The federal government should also take into consideration the need of new credit and I think that matter should be the subject of a discussion at a federal-provincial conference where monetary problems and tax questions are dealt with at great length.

Since it was suggested that the provinces should meet again in March to study the taxation problem once more, I think it would be appropriate for the Minister of Finance (Mr. Gordon), who is responsible for the administration of the Bank of Canada, to be at that conference. In fact, I see that the role of the Minister of Finance is also explained in the Canada Year Book. Here is what can be found on page 95:

> This department was created by act of parliament in 1869 and now operates under the Financial Administration Act. The department is responsible for the financial administration of Canada including the raising of money required for the various government activities by way of taxation or borrowing. The comptroller of the treasury, an officer of the department, is responsible for all government disbursements. The work of the department is organized in six principal divisions: administration, economic and international affairs, federal-provinical relations, ...

Mr. Chairman, since it is stipulated that the Minister of Finance is concerned with federal-provincial relations, I wonder whether it would not be appropriate, at a meeting of the provincial premiers and the Prime Minister of Canada, that the federal Minister of Finance and the ministers of revenue of the ten provinces be also present. There, a study could be made of an equalization system based not on the richest province—because after all, this only means taxing the haves under the pretext of giving to the have-nots

—but a system to give the provinces the funds they need for the development of their natural resources.

It would also be possible to use existing criteria as a basis. It would be logical, it seems to me, to redistribute money among the provinces according to their natural resources, since they are responsible for them.

The available manpower should also be taken into account. As a matter of fact, statistics readily show which provinces do not make full use of available manpower so as to increase the national gross product. Last September, the province of Quebec held the unenviable record of having 40 per cent of the total number of unemployed in Canada. And yet, natural resources are not lacking, but they remain undeveloped.

In the last few years, the province of Quebec has been going through a period of full development. It needs new access roads to natural resources.

In view of the work which should be done for the world fair as well as the labour requirements of the steel complex which has been widely discussed these past few months in Quebec, would it not be possible to use a very large part of this manpower potential available for the development of natural resources in Quebec? What prevents such projects from being carried out except the limited financial means made available to the departments concerned in the province of Quebec?

I think that we could also extend the framework of the Bank of Canada and establish district offices in every province with officials responsible to the governor. By so doing and following meetings between the federal Minister of Finance and the provincial ministers of revenue and after having considered the possibility of providing credit to the provinces in exchange for provincial bonds, the credit could be made more easily available to the provinces, in order to help them develop their natural resources.

Mr. Chairman, the province of Quebec borrowed $300 million on the American market, on behalf of hydro Quebec, in order to help build the Manicouagan dam. Now, through a branch of the Bank of Canada, hydro Quebec might have issued bonds to this amount and obtained the necessary credit to carry out the project. And, instead of undertaking to pay an interest of 6¾ per cent, it would only have had to pay the carrying charges on this credit with the Bank of Canada.

Moreover, considering the devaluation of the Canadian dollar, which is now 8 per cent less than the American dollar, this means, for the first year, an interest rate of 13 per cent which hydro Quebec has undertaken to pay.

Is it not time for the federal Minister of Finance and the provincial revenue ministers to consider and stress the priority needs of the various provinces at the next federal-provincial conference? At that time, the real priorities, if any, will be revealed.

Mr. Chairman, considering that, at this time, the federal government allots almost 27 per cent of the national budget to the Department of National Defence, I wonder whether the educational field, in Quebec as well as in other provinces, does not have the same importance, and should not be further developed, in order to equalize the living standard of all Canadians?

I realize that some provinces must resort to other than the fiscal means now provided by the constitution, but I think that in this case, the federal government should hand over to them the rights and powers to which they are entitled.

Mr. Chairman, there is some talk about a new federalism. According to what I heard, the Prime Minister stated that in no way does he wish to be the one to liquidate confederation. Well, I wonder if those who are in favour of the present system, that is to say the government members and the members of the Conservative party, when they had the same responsibilities, are not actually liquidating confederation?

Mr. Chairman, may I call it five o'clock?

[*Text*]

Mr. Pickersgill: I understand, sir, that the hon. gentleman is the last speaker. I wonder if he could conclude in a sentence or two and then we could get the bill through.

Mr. Pigeon: Agreed.

[*Translation*]

Mr. Perron: Thank you Mr. Chairman, I shall soon finish my remarks.

When reading some comments published in the press, it might be inferred that the province of Quebec has, once again, made unfair claims on Ottawa for sums of money which the province urgently needs.

Now this is not the true position. A few moments ago, I quoted some figures which I want to put on the record. As far as those figures are concerned, we did not get any more than what we were entitled to. On the contrary, our average is lower than the $10 per head throughout the country.

Our claims are therefore, not unfair. We claim the same rights as the other provinces, where they may sometimes be stressed to a lesser degree than in the province of Quebec which has insisted on those rights for several years.

It was, however, always done in a spirit of thorough understanding with regard to our fellow citizens of the other provinces. We want a united Canada, yes; a Canada where agreement prevails—yes, of course. But a Canada where there is agreement in the taxation field, and where nothing is wrongly implied or inferred.

Three weeks ago, the premier of one province implied, when assistance to vocational training was being discussed, that the province of Quebec had no reason to recriminate, because it had received its full share. And yet, the official figures were submitted here. It may be noted that in the three years during which the legislation was applied, the province of Quebec received less than the share it was entitled to because, at that time, it was not ready to take advantage of that legislation.

Now, this is also true with regard to the future of this country. We want a united Canada, of course; we want a Canada where mutual understanding will be the order of the day. The best means of reaching that goal, is to look in a more realistic perspective, at all those things which now divide us, and which, perhaps, make us acrimonious, at all those things that, in the opinion of our fellow citizens, make us look like dissatisfied people, or people who are impossible to satisfy.

We do not ask for the moon and stars. We simply want the province of Quebec, like the other provinces of Canada, to benefit fully and completely from the fabulous wealth which the Canadian people as a whole inherited, by making it easier for each of the provinces, within the framework of confederation, to develop soundly the natural resources of this country.

[*Text*]

Motion agreed to.

Resolution reported and concurred in.

WAYS AND MEANS

The house in committee of ways and means, Mr. Lamoureaux in the chair.

INTERIM SUPPLY

Mr. Pickersgill (for Mr. Gordon) 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 31, 1964, the sum of $377,400,841.02 be granted out of the consolidated revenue fund of Canada, as set forth in the resolution concurred in this day in the committee of supply.

Motion agreed to.

Resolution reported and concurred in.

Mr. Pickersgill (for Mr. Gordon) thereupon moved for leave to introduce Bill No. C-116,

for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1964.

Motion agreed to and bill read the first time.

The Chairman: When shall the said bill be read a second time? By leave, now?

Some hon. Members: By leave, now.

Mr. Pickersgill (for Mr. Gordon) moved the second reading of the bill.

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

On clause 1—*Short title.*

Mr. Howard: Mr. Chairman, before proceeding further I would like to make one observation in respect of this bill. We have a copy of the bill before us, and on the front page it says "Bill C" blank, as of course is the case with all bills in this category. Then it says:

An act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1964.

Then in bold, black letters it reads: "As passed by the House of Commons, November 1963". I think we should have some explanation and perhaps an eradication of "November 1963", so we are not doing things retroactively.

Mr. Pickersgill: Mr. Chairman, I am sure the hon. gentleman does not mean to be taken too seriously. It is well known that the bill was printed in advance, and there was perhaps an undue expectation that it might be passed on Friday. It did not seem wise to have it reprinted. Of course, it has not passed the house. In the final form it will show, I hope, that it passed the house on December 3. This document is only a draft. I will give such undertaking as I can that the hon. gentleman's observation will not be disregarded.

Perhaps I should say that the proportions requested in this bill are intended to provide for all necessary requirements of the public service up to December 31, 1963. In no instance is the total amount of an item being released by this bill. The form of this bill is the usual one for interim supply bills. The passing of this bill will not prejudice the rights and privileges of members to criticize any item in the estimates when it comes up for consideration, and the usual undertaking is hereby given that 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 measure.

Clause 1 agreed to.

Clauses 2 to 4 agreed to.

[Mr. Pickersgill.]

Schedules agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

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

Mr. Knowles: By leave.

Mr. Pickersgill (for Mr. Gordon) moved the third reading of the bill.

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

Mr. Pickersgill: Mr. Speaker, may I be permitted to thank all hon. members for the co-operation we have had in these last few minutes. I will make another declaration, that I have not suggested that any part of this debate was in any way obstructive.

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

THE PHARMACY EXAMINING BOARD OF CANADA

The house in committee on Bill No. S-7, to incorporate the Pharmacy Examining Board of Canada—Mr. Mitchell—Mr. Lamoureux in the chair.

On clause 1—*Incorporation.*

Mr. Gregoire: Mr. Chairman, we are today requested to pass legislation which was first carried by the Senate and which is entitled:

Bill S-7, An Act to incorporate the Pharmacy Examining Board of Canada.

The purpose of this bill, Mr. Chairman, is to form a pharmacy examining board which will issue certificates of qualification throughout Canada.

It has always been understood that education in each province was the responsibility of the provincial authorities. But, when you want to set up, under federal legislation, a board which will, among other things, issue certificates of qualification, then I claim that there is interference from the federal government in a field expressly reserved to the provinces, namely education at any level.

In the province of Quebec, at the present time, there are faculties of pharmacy affiliated with universities. They hold examinations and award diplomas. They decide on the strength of the number of years of study and of the examination results whether the pharmacists may receive a diploma and be admitted to the practice of their profession.

In addition to the universities, there is the college of pharmacists of Quebec which will also issue the certificates required to allow applicants to practise pharmacy. That comes under the education system in the province of Quebec and in each province. Today, you want among other things, to set up this committee which will issue certificates of qualification. This pharmacy examining board of Canada—those are the very words used in the bill.

Pharmacy examining board of Canada.

That board wants to hold examinations in the province of Quebec. I claim that to hold examinations, it must first give courses and then make it compulsory for those who have attended the courses to take examinations; now, this is exactly what our universities are doing at present. It is not at all what the pharmacy examining board of Canada intends to do. Its sole intention is to have people pass examinations. We know, on the other hand, that in the province of Quebec there are rules and regulations which differ from the rules prevailing in other provinces. For instance, in Quebec, people who want to own a drugstore must be druggists. Besides it is not possible in Quebec to just organize a chain of drugstores, as is done for instance with grocery stores, and hire professional druggists to run that chain. In order to own a drugstore, one must be a druggist, according to rules which differ from the rules enforced in other provinces. We find the Quebec rules satisfactory.

There is talk of setting across-the-board examinations which would be the same in all the provinces, however great the differences between these provinces. As written in one of the clauses of the bill—

The Chairman: Order. I understand that the hon. member for Carleton (Mr. Francis) wishes to ask a question from the member for Lapointe.

[*Text*]

Mr. Francis: Is it not possible in the province of Quebec for a medical doctor to be the owner and operator of a pharmacy?

[*Translation*]

Mr. Gregoire: Mr. Chairman, it is a fact that doctors in medicine can own drugstores and even laboratories. This state of affairs stems from understandable circumstances. In some parishes, rather far from the centres, there is nothing which might attract a druggist; besides in some parishes, not enough drugs are sold to justify the presence of both a doctor and a druggist. That is why in the smaller parishes the physician often combines both fields of endeavour, and will at once exercise his own profession and own a drugstore.

That goes to prove that in the province of Quebec, even if the law is broad enough to allow co-existence, there is a specific understanding of the problems which prevail in various communities and in various districts. This is proof of the understanding shown in the writing of Quebec legislation, and not only in this field but in many others. When cases come up where the situation does not seem to have been well understood in the preparation of certain legislation, our people, be they doctors or pharmacists, broadminded as they are, have accepted those few exceptions.

I have examined this bill a little. There is a section which says among other things —I am going over certain sections of the bill a bit at random—

An hon. Member: What number?

Mr. Gregoire: It is the one which provides that a certificate of qualification may be issued to someone who has been practising for ten years. At that time, he would be given a certificate of qualification, when we know that, in other provinces, one does not have to be a pharmacist to practise pharmacy. That means that even if someone has not studied that science at all, he is still allowed after ten years, to operate a pharmacy without being a pharmacist. He is given a certificate of qualification as a pharmacist, even though he may never have studied pharmacy.

[*Text*]

Mr. Francis: Could the hon. member name such a province where it is possible for a person who never studied pharmacy to be a pharmacist?

Mr. Gregoire: May I ask the hon. member to repeat the question?

Mr. Francis: I understood the hon. member to say it is possible in other provinces to own and operate a pharmacy without having studied pharmacy. I would like to know which provinces the hon. member is referring to.

[*Translation*]

Mr. Gregoire: Mr. Chairman, it is evident, if all kinds of distinctions are to be made, that with the kind of drugstores we see today, where all medicine sold are patented pills or syrups, it is possible for an individual to sell such medicine behind a counter; but the fact remains that in other provinces, an individual could be the owner of a drugstore without being a pharmacist. An individual could have a drugstore registered in

his name without being a pharmacist, provided he has operated such business for ten years. I do not say he would be granted the title of pharmacist, under this act, but he would be granted a certificate of qualification. I agree he could not hold a university diploma, but he would nevertheless have a certificate of qualification which would allow him to operate a drugstore.

[*Text*]

Mr. Mitchell: With the sanction of that province's graduating body.

[*Translation*]

Mr. Gregoire: Mr. Chairman, I am actually looking for an article of this bill. I have not looked at it. I had no opportunity to read this bill since about a month ago, for every time it was allowed to stand. The article says:

Any qualified pharmacist licensed or registered—

[*Text*]

Mr. Mitchell: Take a look at 15.

[*Translation*]

Mr. Gregoire: It says:

Any qualified pharmacist licensed or registered in any province—

It means, if I understand correctly the words and the phraseology, that one or the other—since after the word "licensed" there is the word "or":

Any qualified pharmacist licensed or recognized in any province prior to the coming into force of this act shall, after ten years from the date when he became so licensed—

[*Text*]

Mr. Mitchell: May I direct your attention to the word "qualified"? Now go on from there.

Mr. Gregoire: Can you let me have a copy of the bill in English, please? I have the French one, and if I explain the French one it says—

Mr. Mitchell: Mr. Chairman, may I interrupt for a moment to explain that in the English version of the bill, which is quite easily understood, the clause commences:

Any qualified pharmacist licensed or registered in any province—

First of all a pharmacist must be qualified and then licensed or registered.

Mr. Gregoire: I appreciate what my hon. friend says, but I think there is a difference between the French version of the bill and the English version, because in the French version there is a comma after "Any qualified pharmacist". So it makes it completely different in meaning. For that reason, I think it would be opportune to move that this bill be referred back to the committee or referred back to the responsible authorities so that they can determine which version is the correct one, the English or the French version, and make the necessary correction accordingly. Therefore I move, seconded by the hon. member for Charlevoix:

That this bill be referred back to the committee to make the appropriate correction, and to determine which one is the approved bill, the French or the English.

It is impossible for us to discuss the bill now because there is a difference of meaning between the French version and the English version. There is a difference in interpretation between the French bill and the English bill, so I think it should be referred back to committee so that the committee could question the people presenting the bill and would know whether the French or the English version is the good one.

[*Translation*]

The Chairman: I should like to remind the hon. member for Lapointe (Mr. Gregoire) that he cannot move that amendment at this time. He could do it on third reading but not in committee of the whole.

Perhaps I might suggest that the hon. member move an amendment to the clause which was discussed, that is section 15 of this bill. Then, the hon. member could introduce a private motion to change the wording of the section.

Mr. Gregoire: Mr. Chairman, on the point of order, I feel—

[*Text*]

Mr. Mitchell: Mr. Chairman, perhaps if we could make the amendment here and now to the French version and remove the comma, so that both the English and French versions are the same, it would satisfy the hon. member. I would so move that amendment.

The Chairman: May I suggest that we at least wait until we reach clause 15. We are still on clause 1. We can, of course, have a general discussion of the bill on clause 1, but we cannot amend clauses which are not yet before the committee for consideration.

[*Translation*]

Mr. Gregoire: Mr. Chairman, that affects not only one clause but the whole bill. The whole principle is changed. That is why we cannot let the clause pass while we know that we will have to wait until third reading to introduce an amendment. We insist on presenting our motion calling for the bill to be referred to the committee so that the latter may determine which is the official version, the French or the English.

Mr. Dupuis: We can discuss it now since we are in committee.

Mr. Gregoire: I should like to point out to the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis) that it is quite easy to change a formula like that but it might be a good thing to know the intent of those who requested the adoption of the bill.

Mr. Dupuis: The mover is here, he could represent the petitioners.

Mr. Gregoire: Is the hon. member himself convinced that this French version is erroneous, that there is a mistake in the bill now before us?

If there is a mistake in the passage I have shown, there can be many more in the bill. That is the reason why I think it would be advisable still to refer this bill to the private bills committee to be re-examined so that, when it is before us, it will contain no errors and above all, there will be no difference between the English version and the French version.

[*Text*]

Mr. Macdonald: Mr. Chairman, on a point of order, this bill has been before the standing committee on miscellaneous private bills not once but twice, at two separate sittings. First of all, it was called for consideration last July. At that time the sponsor of the bill agreed to adjourn consideration until the parties who appeared to oppose it could make representations with regard to it. Then it also appeared before the same committee some three or four weeks ago, perhaps longer, at which time the hon. member for Lapointe acknowledged that he was examining the bill for the first time.

I would suggest that the proper forum in which to consider it and amend the wording if it is proved defective in the French version—because I submit that it is not defective in the English version—is in committee of the whole. It makes no sense to say that the bill should receive no further consideration now but be referred back to the committee on miscellaneous private bills. This committee is the proper forum for making such technical amendments to wording as may be necessary for the purpose of giving both French and English versions of the bill the same effect. Therefore, for that reason I submit that the motion which has been moved should not be entertained.

[*Translation*]

Mr. Dupuis: Mr. Chairman, I point out that when the bill was introduced in its original form, it was in English. It is in the French translation that you find a comma, but the original presentation was made in English. That is therefore a translation error, and if a comma must be taken off, I think we will have unanimous consent to do so. I do not see why this bill should be delayed any longer.

Mr. Gregoire: Mr. Chairman, I think that the hon. member for St. Jean-Iberville-Napierville raised an extremely important point.

When petitioners introduce a bill in the House of Commons, while it is a known fact that this house is made up of English and French members and that the country is bilingual, that bill should be introduced in both languages and necessary precautions should be taken for that purpose.

If we had all the Senate and the House of Commons bills as well as the reports in both languages, we would not know what to do with that pile of documents. That is why they are given to us in only one language. But having this bill in French, I took the trouble to check the French version. If it is a French translation rather than a French drafting, it is not enough.

That is why, Mr. Chairman, I move, seconded by the hon. member for Villeneuve (Mr. Caouette):

> That the said Bill S-7, which differs in French from the English version and which is not very clear, be referred to the committee for a period of six months.

The Chairman: Order. The hon. member for Lapointe moved:

> That the said Bill S-7, which differs in French from the English version and which is not very clear, be referred to the committee for a period of six months.

[*Text*]

Some hon. Members: Question.

Mr. Knowles: I do not think we should just listen to calls for the question to be put. I think it would be setting a risky precedent if this question were put. The bill is not before us. What is before us is clause 1. If the hon. member does not like the bill he can move that the committee rise.

The Chairman: Perhaps I should make a ruling. It is a simple one, and along the lines suggested by the hon. member for Winnipeg North Centre. I pointed out previously to the hon. member for Lapointe that every amendment had to relate to the clause under consideration. What we have under consideration now is clause 1. The proposed amendment does not refer to clause 1. It is, therefore, irrelevant and cannot be considered at this time. Perhaps I should add a citation from May, sixteenth edition page 554:

> An amendment is out of order if it is irrelevant to the subject matter or beyond the scope of the bill, or if it is irrelevant to the subject matter or beyond the scope of the clause under consideration.

[*Translation*]

Mr. Caouette: Mr. Chairman, we heard your ruling, but we believe that on clause 1 of a bill, we can have a general discussion. Without casting blame on your ruling, I think that the amendment moved by the hon. member for Lapointe refers to clause 1 as well as to the whole bill.

Therefore, Mr. Chairman, I appeal your ruling.

[*Text*]

Mr. Moreau: I think the hon. member could accomplish the purpose he has in mind by simply making a motion that the chairman now leave the chair. We should not have to go through the whole business of appealing a ruling of the chairman.

Mr. Caouette: On that point of order, when we moved that the bill should be returned to a committee for further study it was because we did not agree with the bill itself. That is why we are presenting this motion. I still wish to appeal the ruling.

Mr. Moreau: I might add that the motion to leave the chair would have the effect of killing the bill. It would go to the bottom of the list and would not appear again.

Mr. Caouette: I think that is where it belongs—at the bottom of the list.

Mr. Knowles: If the hon. member wants the bill sent to a committee he should, surely, be prepared to move in the proper manner. It does not help to appeal the chairman's ruling on a matter such as this. If he wishes to move that the committee report the bill and then, when the bill is reported, that it be referred to a committee, that would be the proper procedure.

Mr. Deschatelets: Surely, when his motion is out of order—

Mr. Caouette: If a member of the cabinet or of the government is prepared to move such a motion, we would withdraw our appeal from your decision, Mr. Chairman.

Mr. Douglas: It is open to any member of this committee to move that the chairman rise and report progress.

Mr. Caouette: I would not mind if the hon. member for Burnaby-Coquitlam would move such a motion as he has been suggesting. We would support it 100 per cent.

Mr. Howard: Surely, the hon. member for Villeneuve is capable of doing his own work, whatever it might be.

Mr. Knowles: In view of the fact that all this discussion has taken place at a time when no discussion could take place, I assume that the proposal to appeal your ruling has been rescinded by the action of the committee. Perhaps the members have waived their right to appeal. Surely, the hon. member for Villeneuve and the hon. member for Lapointe realize we are not objecting to the substance of what they are arguing. But we are asking that parliament stay on an even keel. We are now on clause 1 of this bill. The hon. member is right when he says there is a tradition, an understanding, that we can discuss all of the bill at this time. He and his friend are free to discuss the bill, but the only motion they can make is a motion with respect to clause 1 itself—that it be amended or that consideration thereof be deferred. To move that something be done with respect to the bill is to make a motion with respect to something which is not before us. It seems to me this is so clear that the committee ought not to be asked to go through the motions of calling Mr. Speaker and appealing the ruling.

[The Chairman.]

Mr. Caouette: This goes beyond a point of procedure. We are now discussing a bill and there is a mistake in that bill. How can we agree to discuss a bill when it contains an important mistake? This is why we would like to send this bill to the private bills committee. I believe it is important that the bill should come before us without a mistake, so that we might be able to discuss a bill which did not contain any errors. That is why we would like it referred to the committee.

Mr. Byrne: I do not think we should keep on wrangling all the afternoon. I think the Chair should either decide that the ruling cannot be appealed, or we should carry on in the normal way.

The Chairman: The chairman cannot say that his ruling cannot be appealed. It is my understanding that the appeal is still before the committee. I appreciate that there has been discussion, perhaps at a time when there should not have been, while the Chair was preparing to submit the appeal to the house. That is what we intend to do now, unless, of course, it is the wish of the proposer of the amendment to withdraw it.

[*Translation*]

Mr. Deschatelets: Mr. Chairman, must I understand that before raising this particular point and following his exchange with a member whose name I cannot think of for the moment, the hon. member for Villeneuve (Mr. Caouette) will wait until we have reached the clause in question, which would allow us to proceed until that time.

Mr. Caouette: That is the principle of the bill.

Mr. Dupuis: The hon. member for Villeneuve does not want to proceed in the usual way.

Mr. Caouette: Mr. Chairman, I hear the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis) say that we do not want to proceed in the usual way.

Mr. Dupuis: That is right.

Mr. Caouette: What we do not accept is the fact that we are studying the bill clause by clause while we should be considering it as a whole.

We moved an amendment which the Chair ruled out of order and we appeal against that ruling. If the hon. member for St. Jean-Iberville-Napierville used his head, he should understand that.

Mr. Dupuis: The hon. member for Villeneuve refuses to proceed in the normal way.

Mr. Caouette: Mr. Chairman, if the hon. member for St. Jean-Iberville-Napierville wants to speak, I suggest that he address himself to the Chair.

[*Text*]

Mr. Deputy Speaker resumed the chair, and the chairman of the committee made the following report:

In committee of the whole when clause 1 of Bill S-7 was being considered, the hon. member for Lapointe moved an amendment as follows:

[*Translation*]

Mr. Gregoire, seconded by Mr. Caouette, moved that the said Bill S-7, which differs in French from the English version and which is not very clear, be referred to the committee for a period of six months.

[*Text*]

The Chair ruled the proposed amendment out of order on the grounds that it was irrelevant to clause 1 of the said bill. Whereupon, the hon. member for Villeneuve appealed to the house from the decision of the Chair.

The house divided on the question: Shall the ruling of the chairman be confirmed? And the ruling was confirmed on the following division:

YEAS

Messrs:

Addison
Aiken
Alkenbrack
Armstrong
Asselin (Notre Dame de Grace)
Asselin (Richmond-Wolfe)
Badanai
Balcer
Barnett
Batten
Bechard
Benidickson
Benson
Berger
Bigg
Blouin
Boulanger
Brewin
Byrne
Cameron (High Park)

Division

Cameron (Nanaimo-Cowichan-The Islands)
Cantelon
Cantin
Cardiff
Cardin
Caron
Carter
Casselman, Mrs.
Chatterton
Chevrier
Chretien
Churchill
Clancy
Coates
Cote (Chicoutimi)
Crossman
Crouse
Danforth
Davis
Deachman
Deschatelets
Dinsdale
Doucett
Douglas
Drouin
Drury
Dube
Dupuis
Emard
Enns
Ethier
Eudes
Fairweather
Fane
Favreau
Fisher
Fleming (Okanagan-Revelstoke)
Flemming (Victoria-Carleton)
Forbes
Forest
Francis
Frenette
Garland
Gelber
Gendron
Godin
Grafftey
Granger
Gray
Groos
Guay
Habel
Hahn
Haidasz
Hales
Hamilton
Harley
Hays
Hellyer
Herridge
Honey
Horner (Acadia)
Horner (Jasper-Edson)
Howard
Howe (Wellington-Huron)
Irvine
Jewett, Miss
Jorgenson
Kennedy
Kindt
Klein
Knowles
Korchinski
Lachance
Laing
Lamb
Lamontagne
Laniel
Laverdiere
Leduc
Lloyd
Loney
Macdonald
MacEachen
MacEwan
MacInnis
MacLean (Queens)
Macquarrie
MacRae
McBain
McCutcheon
McIlraith
McIntosh
McMillan
McNulty
McWilliam
Madill
Mandziuk
Martin (Essex East)
Mather
Matheson
Matte
Millar
Mitchell
Monteith
Moore
Moreau
Morison
Muir (Cape Breton North and Victoria)
Mullally
Munro
Nasserden
Nesbitt
Nicholson
Nielsen
Nixon
Nugent
O'Keefe
Orlikow
Ormiston
Ouellet
Pascoe
Patterson
Pennell
Pepin
Peters
Pickersgill
Pigeon
Prittie
Pugh
Rapp
Regan
Ricard
Richard
Rideout
Rinfret
Robichaud
Rock
Rouleau
Roxburgh
Ryan
Rynard
Sharp
Simpson
Slogan
Smallwood
Southam
Starr
Stefanson
Stenson
Tardif

Teillet	Watson (Assiniboia)
Temple	Watson (Chateauguay-Huntingdon-Laprairie)
Thomas	Webster
Thompson	Weichel
Tremblay	Whelan
Tucker	Willoughby
Valade	Winkler
Vincent	Woolliams—188.
Wahn	

NAYS

Messrs:

Beaule	Gregoire
Belanger	Langlois
Boutin	Latulippe
Caouette	Perron
Dionne	Plourde
Gauthier	Rondeau—12.

And the house having resumed in committee:

The Chairman: It being six o'clock, shall I rise, report progress and ask leave to sit again?

Some hon. Members: Agreed.

Progress reported.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

REDISTRIBUTION

PROVISION FOR OFFICE OF REPRESENTATION COMMISSIONER AND READJUSTMENT OF REPRESENTATION

The house resumed, from Wednesday, November 27, consideration in committee of the following resolution—Mr. Pickersgill—Mr. Lamoureux in the chair:

That it is expedient to introduce a measure respecting the office of representation commissioner and to define the duties of the commissioner under the said measure, in addition to those assigned to him under the Canada Elections Act and under a measure to provide for the establishment of electoral boundaries commissions to report upon the readjustment of the representation of the provinces in the House of Commons and to provide for the readjustment of such representation in accordance therewith; to provide for the salary and expenses of the commissioner; to provide for the appointment of a substitute commissioner and for the payment of his salary and expenses; to authorize the commissioner to appoint such officers and employees as are necessary for the conduct of his office and to engage on a temporary basis persons having technical or specialized knowledge of matters relating to the work of the commissioner; to increase the salary of the Chief Electoral Officer of Canada and to effect certain other changes in the Canada Elections Act consequential upon the said measure; and to provide for the payment out of the consolidated revenue fund under the authority of the said measure of all amounts required for the payment of salary and other expenses under the said measure and under the measure to provide for the establishment of electoral boundaries commissions, including expenses of administration thereunder.

[Mr. Deputy Speaker.]

Mr. Winkler: Mr. Chairman, as I proceed this evening with the consideration of the resolution in regard to redistribution I should like to tell the committee that initially the matter now before us was not one with regard to which I intended raising any objection. However, when sitting on the other side of the house for a few minutes on the last day of discussion I spoke to several hon. members, particularly the hon. member for York-Scarborough and, I believe, the Secretary of State. I expressed my view that possibly the matter could be disposed of rather quickly, provided we had the co-operation of the members of the Liberal party. Then, of course, the hon. member for York-Scarborough intervened in the debate and used my constituency of Grey-Bruce for comparative purposes. Although he told me before he spoke that his reference to my constituency would probably be in complimentary terms, I have failed to find this agreeable sentiment in that particular portion of his speech. This is probably one of the reasons I have risen to intervene in the debate this evening.

Let me say immediately, Mr. Chairman, that in other respects, as the terms of the resolution are fairly general, one does not find many of the specifics contained therein to be objectionable, with the exception of the suggestion made by the Secretary of State as to the way we should proceed. As I went back into the previous debates on redistribution, particularly those in 1932-33 and up to 1936-37, I came across some words that I thought were rather applicable at this time, particularly having listened to the Secretary of State in most affable terms appeal to the members of the opposition in such a way that would lead one to expect there would be absolutely nothing objectionable in the bill when placed before the house. Indeed, this may be so: I hope it will be so. But I think these words spoken by Mr. Brunelle, the then Liberal member from Champlain, as reported in *Hansard* of January 21, 1937, indicate some of our reasons for being concerned about this measure, even after listening to the affable words of the Secretary of State when he appealed for co-operation, and so on. We think these words apply equally today, in the year 1963:

Everyone will admit that in framing a representation act the party in power, whichever it may be, will be naturally inclined to abstain from favouring the opposite party and to adopt the course most favourable to its cause. But to be normally interested and anxious to help a party is one thing, and to be so unreasonably ambitious as to adopt a system utterly subversive to the spirit of representative institutions is quite another.

Therefore I do not think too many of us on this side of the chamber anticipate that

the function or mechanics of the proposed legislation will be very favourable to anyone on our side of the house. There are some indications that possibly we are more fearful than is justified, and in this connection I quote the words of the Secretary of State. They were not his own words, as he indicated, but he uttered them in this house in such a manner that we must take it he agrees in every sense with every word he put on the record. He went on to say, as recorded at page 5114 of *Hansard* for November 26:

> There is no thought of changing the senatorial floor provided in the constitution which, at the present time, protects the representation of the provinces of New Brunswick and Prince Edward Island.

This of course is one of the problems we are confronted with in considering such a legislative measure. How will this situation be resolved—maintaining the senatorial floor in one part of the country where the population is rather small, in accordance with our constitution, and then dealing with the situation as it exists in some of the larger provinces? The problem that does arise is that we must bear in mind the number of people in these sectors of the country in comparison with the number in other sectors where some of us think changes might be made.

I am not afraid of the political surgeon's scalpel being drawn in my direction, but I am concerned if this is done in a very broad manner. Therefore I come to the point that was raised by the hon. member for York-Scarborough. He indicated that there are approximately 36,000 people in my constituency, whereas the 1961 census indicated there were 267,000 people in his riding, and of course he made the point that this was too many people for one member to represent.

Then he was somewhat complimentary in his subsequent sentences, but not overly so, because in the final analysis he said the committee would not hear much objection from me, probably, because I was energetic enough to be able to represent more people. Maybe that is so in the manner he indicated in his speech, but I wonder why the hon. member for York-Scarborough did not use the constituency of one of his colleagues as an example. Indeed I myself could point to several constituencies represented by colleagues of mine, constituencies that are similar in size to my own.

The hon. member for York-Scarborough referred to my constituency in approximate terms of being in the ratio of seven to one with his own, but I must at once point to the constituency of Iles-de-la-Madeleine which, when compared with my own, is in a ratio of one to four. Therefore I feel that the people I have the honour to represent justify a member in greater measure than the number of people in Iles-de-la-Madeleine. I do not object to the hon. member for Iles-de-la-Madeleine having a seat in this house, but I would point out that in representing the people of Grey-Bruce in the House of Commons I do so in such a manner as to stay in constant communication with them.

My home is in that constituency and I visit there frequently. I understand there are quite a number of members who do not care to represent their ridings in this way and that, of course, is their prerogative. For instance, the hon. member for Iles-de-la-Madeleine is, I believe, resident both in the domiciliary sense and the business sense in the city of Montreal and does his representation by a sort of remote control. More power to him, if he has the ability to do it this way.

I do not know how the Secretary of State carries on in his riding. I doubt very much if he goes there too frequently, but he may have some other election machinery there to look after his affairs. But I put this forth, so that when the time comes and political considerations are being examined, that this should be taken into account just as much as any of the words used by the hon. member for York-Scarborough; because they are of equal importance.

I can remember a previous redistribution that affected my constituency, which at that time was represented by a Miss Agnes Macphail, the first lady member of the House of Commons, and a very worthy one at that. She was not a Grit, but it was the Grit chalk, the Grit black pencil changing the constituency lines that eliminated her from this house in the very next election, and she disappeared from the federal political scene.

Mr. Pickersgill: I wonder would the hon. gentleman permit me to ask him a question? Miss Macphail, I recall, was defeated in 1940, and if I remember correctly the redistribution previous to that was in 1933, when Mr. Bennett was prime minister. Is he suggesting that the Liberals were responsible for that redistribution?

Mr. Winkler: I think the Secretary of State has a certain propensity for doing things this way, but if he examines the record he will find—

Mr. Teillet: The truth.

Mr. Winkler: The truth? Well, I think the truth on that side of the house is judged in halves and quarters, not in full measure, because I think if the Secretary of State investigates very carefully, and in conjunction with the weatherman in that 1940 election, he will find it was a pretty cute political manoeuvre to eliminate Miss Macphail.

Mr. Pickersgill: No doubt the weatherman was a Liberal.

Mr. Winkler: Certainly I think the weatherman sometimes is too liberal.

Let me point out a couple of other factors in regard to the speech made by the hon. member for York-Scarborough, and I hope, Mr. Chairman, you will not judge me irrelevant when I say this. We would indeed like some of the advantages that have been enjoyed by the hon. member for York-Scarborough, and we in Grey-Bruce would welcome some of the expansion that has taken place in the area he represents, in all the constituencies around us; but we are inhibited by certain other factors.

For instance, there is the designation of depressed areas which receive financial assistance for the attraction of industry. Are we ever considered for that in our part of the country? We are not, but the constituencies of Algoma East, Windsor, and even Stormont are, and I have almost forgotten to mention Brantford. It seems to me there is no possibility of our getting financial assistance to attract industry, and therefore the hon. member for York-Scarborough cannot have it both ways. He cannot have this tremendous development and the advantage of supporting the government without putting up with some disabilities.

In any event, if he has great fears of not coming back to the house maybe the government will cut off part of his constituency and put it in with mine. I do not know, but I will give the Secretary of State good marks for the manner in which he presented this measure. If the words he uttered one week ago in regard to it are followed very closely, and if that degree of affability is carried through in the terms of the bill, and in the mechanics of the redistribution, then I do not think we have too much to fear. On the other hand, to be fair about it we must ask ourselves tonight, if there is any intention on the part of the government to move into the area of an election, whether it is expedient to accept this legislation. If it is not expedient, then I think we should carry this measure over to the next session of parliament for further consideration. Certainly the time and study which will be given to the matter by hon. members, as well as the benefit of discussions which will take place in constituencies, will be worth while in guiding the implementation of the mechanics of this legislation. In that event we would be prepared to be more co-operative.

I disagree, for example, with the method by which it is proposed to set up the commissions. I believe one commission should be sufficient for the whole country. With ten commissions there will be ten differing views, so how can there be unanimity in the way the measure is to be brought forward? That is another important point. I also disagree with the thinking of the Secretary of State in regard to the quotient to be used and the tolerance on either side; in this regard I also disagree with the hon. member for York-Scarborough. I maintain that one way in which the representation of rural areas can be perpetuated, unless it is proved otherwise, is by a tolerance of 30 per cent on either side of the base figure established. If these two matters alone are brought into line, the effects of which will be apparent to most of rural Canada, I think we would be prepared to go along with the Secretary of State in an affable spirit of co-operation if he were to reintroduce this measure in the next session of this parliament.

[*Translation*]

Mr. Caouette: Mr. Chairman, I have but a few words to say on the resolution now before us and which reads as follows:

> That it is expedient to introduce a measure respecting the office of representation commissioner and to define the duties of the commissioner under the said measure, in addition to those assigned to him under the Canada Elections Act and under a measure to provide for the establishment of electoral boundaries commissions to report upon the readjustment of the representation of the provinces in the House of Commons and to provide for the readjustment of such representation in accordance therewith; to provide for the salary and expenses of the commissioner;—

Mr. Chairman, if one considers the representation as it is now, one is struck by the example provided by New Brunswick. It is generally recognized that this province will always be represented by ten members. Furthermore, at the present time, there is a difference of ten members between the number from Ontario and that from Quebec.

Now, the first duty of the commissioner or substitute commissioners who may be appointed will be to define the boundaries of the constituencies and set the exact representation of each province. They will also be authorized to establish commissions at the constituency level, in the various provinces, so that these commissions will decide upon the boundaries of the constituencies, that is whether a constituency is to be enlarged or reduced in size according to the population of the different areas involved.

Mr. Chairman, in my opinion, the resolution introduced by the Secretary of State (Mr. Pickersgill) is a mess that is rather difficult to straighten out and, at the same time, it provides for the establishment of an organization which could readily be used to grant political favours or to act upon government

decisions or suggestions, whatever government happens to be in office at the time.

It is actually suggested that they would be independent commissions. We have already seen independent commissions in Canada which reeked of politics. I think that this resolution would likely be partial to political friends, not only on the national or provincial level, but also within the riding. I do not think that the commission should be authorized to act without parliament being held directly responsible, and this means not only the government, but the Canadian parliament.

We are not against redistribution, far from it. As a matter of fact, we know that certain ridings on Montreal island have a very high number of voters, whereas others, like that of Laurier, for instance, the constituency of the Minister of Justice (Mr. Chevrier), has only a small number of them. In fact, there are two or three other ridings on Montreal island which are thinly populated and which are nevertheless represented in the House of Commons. And if a redistribution was made on Montreal island, nobody would object.

But I will never forget the electoral redistribution made in 1947, I believe, when members were invited by the committee on privileges and elections to voice their opinion. I was then the member for Pontiac in this house. The southern limits of the Pontiac constituency extended up to the northern limit of the Hull constituency which made an area of about 300 miles long by 150 miles wide.

At that time, as I have already said, the members were asked to make suggestions. Thereafter, the Pontiac constituency was divided in two parts, one forming the southern part of the Pontiac-Temiscamingue constituency and the other, the new riding of Villeneuve.

Mr. Chairman, I think that before proceeding with redistribution, we should consider the representations of the present members for ridings which will in some way be affected, whether their limits are to be extended or reduced, or whether their population is to be increased or decreased. Anyway, we would not like redistribution to be used as a political football by any party. What we want, in this parliament, is an adequate representation for the Canadian people.

Whether we establish constituencies of 70,000 people, with a margin of 20 per cent above or below that figure, may be an important point. As a matter of fact, it is perhaps an acceptable figure, under the circumstances. But, I repeat that redistribution should not be used as a political football, where political party patronage might play a role, whatever it may be.

Now, we are not here to please our friends or displease our enemies. We are here to legislate in the best interest of the people. I think that all hon. members, beginning with the Secretary of State (Mr. Pickersgill) who is submitting this resolution, are anxious for a good representation and want Canada to be composed of ridings as equal as possible to one another, as far as their territories and populations are concerned.

There is no doubt that the Canadian people will thus be better represented here, even if the number of voters were sometimes to be increased—and I always take the city of Montreal as an example—as it may be the riding of the hon. Minister of Justice (Mr. Chevrier). There might be some advantage for him—as he could have a larger majority—or be more easily defeated. As we do not know which, we shall be content with assumptions.

We want an adequate representation.

I think that this resolution which wants to establish boundary commissions in the various ridings, as well as on the provincial and federal level, will mean a tremendous expense, because new officials and new employees will be needed; if we want to spend such an amount of money, let us make sure that it is not thrown away, but that it is used in the interest of our people and of Canada as a whole.

[*Text*]

Mr. MacLean (Queens): I should like, first of all, to congratulate the Secretary of State on the manner in which he introduced this important piece of legislation last week. He seemed to have high hopes, after introducing it in such a fine and open way, that the resolution might carry on the day on which it was first considered.

It was with some regret I had to point out to him that there were still a number of speakers who wanted to take part in the debate. I regret the look of chagrin which crossed his face when he realized the measure was not going to pass on that occasion. However, the hon. gentleman should not be entirely surprised that we in the opposition did not accept his attitude at face value. He can hardly blame us for that. We have observed him for a long time in the House of Commons and we have come to the conclusion that he is either a present day disciple of Machiavelli, or else he is constitutionally incapable of refraining from the temptation to strike a low blow at either his colleagues or his opponents, if they place enough faith in him to allow him the opportunity.

Some hon. Members: Shame.

Mr. MacLean (Queens): It is not shameful at all. It is learned from bitter experience. In this connection I do not want the Secretary of State to be depressed or downhearted. If his approach is genuine—and I have no reason to think it is not on this occasion—we welcome it. At the same time, even if the hon. gentleman's repentance for past attitudes is sincere, there is bound to be a period of penance, or something of that sort, before we can accept all his suggestions at their face value.

Apart from that, this is an extremely important debate and one in which many members want to take part. There are two principles under consideration. The most important one is the method of redistribution. The legislation proposes that we embark on an effort which is new, as far as Canada is concerned, though it has been in use in a number of other commonwealth countries for a number of years. In other words, it is proposed that the boundaries of constituencies should be delineated by an independent commission, or by independent commissions, rather than by a committee of the house as in the past. Final approval would, of course, have to be given by the house. I think this is an important step forward. I think it is a step on which all parties agree, at least in general terms. But if we decide on this new method I hope those who are responsible for carrying out the redistribution will not be entirely carried away by the very good objective, in general terms, of representation according to population, right down to the last decimal point. Even at best, redistribution will have a profound effect or, at least, it will have a far reaching one. I am not sure that the effect will be profound; the composition of future houses elected after the next redistribution will probably remain much the same. But it will have a far reaching effect on the boundaries of all the constituencies in Canada.

I think we should realize, too, in approaching the objective of representation by population, that the constituencies of Canada vary a great deal in size in almost every province. For example, in the province of Ontario during the last census it was found that constituencies varied in population from around 29,000 to 267,000, while in Quebec they varied from 12,500 to about 233,000. This is a wide discrepancy. However, it should not be forgotten that these variations arise from two reasons, and I think those reasons should be kept apart in our thinking. One cause is a population change arising from the migration of people from rural areas to suburban areas, and the growth of cities generally. This has resulted in large populations within constituencies which were mainly rural at the time of the last redistribution. There is another reason for the large discrepancies in population of constituencies across Canada: They were made that way for reasons which were considered sufficient at previous redistributions. In many cases these reasons were good ones and I believe they should have considerable effect on those who are now charged with the responsibility for redefining our constituencies. After all, it has generally been recognized over the years that there are certain areas which should have representation for certain special reasons. It has been thought proper that the northern territories should have at least one member each. We have also accepted the principle that there should be a certain minimum representation from each of the provinces which joined together in confederation. Thus, the provinces of New Brunswick and Prince Edward Island are protected in their representation.

There are still further considerations. Over the years it has been customary for rural constituencies to have a smaller population than urban ones. Theorists may scoff at this and consider it unjustified, though I would not agree with them. After all, there are some who argue that members of parliament—and I would not pursue this reasoning too far—represent not only the people of their constituencies, but the constituencies themselves. There is some room to argue this. For example, I think it would be agreed that the member of parliament representing a vast empire like the Northwest Territories not only represents the people in that riding at the present time but has a certain responsibility to safeguard the great natural resources of that area that are now held in trust, as it were, for the generations which may populate that area in the future.

I think most members of parliament will also realize that generally speaking rural constituencies require more representation per thousand of population than urban ones, or this seems to be the case quite frequently. This arises because of a number of reasons. One is that rural people in isolated areas frequently do not have readily at hand the office facilities of the various departments of government to which they can go. Instead of dropping around the corner to the federal building and seeing the appropriate civil servant, they write to their member of parliament for information as to how to proceed with regard to innumerable matters having to do with government, such as how to apply for an old age pension or how to put in a tender on some small contract. Rural constituents have the habit of writing to their

members of parliament about things of this sort. I stand to be corrected but I have the impression that members of parliament who represent urban constituencies do not have such a large volume of mail as those who represent rural constituencies.

In addition, by the very nature of the geographical size of the constituency the number of matters that are brought to the attention of the member of parliament is greater. This is especially true, I think, of seacoast constituencies. There are constituencies in the maritime provinces that have literally hundreds of federal government establishments of one sort or another within their boundaries. They may be small, but in a constituency like my own there are dozens of lighthouses, dozens of wharves and large numbers of other small federal government establishments and facilities, all of which require a certain amount of attention from the members of parliament for the areas. These are things that do not exist in inland constituencies and do not exist to any great extent in urban ones.

Therefore I think there are many considerations of this sort that should be brought into the balance when the matter of representation by population is being considered. It is a worthy objective as a theory but it is one that can only be approached. It cannot always be achieved.

I think it would also behoove us to consider how many people a member of parliament can properly represent under our system. After confederation each member of parliament in a much smaller house represented only about 18,000 Canadians. Now and after redistribution each member of parliament on the average is and will be representing about 70,000 Canadians. In addition there has been a great growth in the activity of federal governments over the years. For example, 70 years ago in the early 1890's the federal government spent in each year's budget approximately $200,000 per constituency. At the present time the figure is something like $22 million per constituency. In terms of dollars, and of course the dollar has not remained constant, there has been a hundredfold increase in the activity of the federal government in the average constituency over the last 70 years.

There are other things that should be considered as well, such as the community of interest of a certain area. If we set out to delineate constituencies of approximately the same size it should be realized that in order to adjust one constituency we will have to adjust the boundaries of perhaps all the constituencies extending in one direction from that constituency to the border of the province. If one constituency is too small you cannot just simply adjust it by taking a certain amount of territory away from the next one because the surrounding constituencies may not be too large. The result is that a general reaction sets in, and I can visualize that even with a variation of as much as 30 per cent in constituencies in the next redistribution this will be the most far reaching distribution since confederation. It will create a tremendous amount of dislocation.

I would venture to say that it will not be possible to bring the constituencies of Canada within 30 per cent of equality without displacing a large number of the present membership of the house from the constituencies in which they now live. I would venture to say that after the next redistribution many of the present members of parliament will find themselves no longer resident in the constituencies they now represent, but perhaps in adjoining ones. There will be many cases where there will be new constituencies without any resident member of parliament, whereas others will have two or three.

The same thing will apply, of course, to the returning officers. Many of them will have to be re-selected and re-appointed because they have to be electors of the constituency in which they operate. When the boundaries are changed many of them will not be resident in the constituencies in which they now reside.

I should like to say a word for a moment about the question of the Senate floor as far as it concerns the provinces which now have protection under it, namely Prince Edward Island and New Brunswick. Some people, perhaps without thinking deeply about the matter, look on it as an ad hoc arrangement that was made without any valid reasoning or justification behind it, but I should like to point out that is not the case. When the various provinces of Canada entered confederation one of the terms under which they came in was that their representation should have a certain weight in the parliament of Canada. The Senate representation, of course, is fixed; but there was an understanding or a belief at least that the weight of provinces, like the maritimes, would continue to bear a reasonable proportion to the whole in the future. Already, of course, the percentage weight of representation from the older parts of Canada is much lower than it was immediately after confederation. If the unit of representation were the same now as it was then, Prince Edward Island would have six members of parliament but the percentage weight of those members to the total house would be much smaller than it was at the time of

confederation because the house is larger. The protection afforded by the Senate floor gives Prince Edward Island as well as New Brunswick greater representation in the House of Commons than they would be entitled to strictly on the basis of representation by population.

This is a recognized principle. Perhaps the most obvious example of it occurs in the United States. The more influential of their two houses is the senate, but every state of the union, regardless of population, is represented by two senators. You have states like New York and California with populations around 16 million represented by two senators, whereas you have a state like Nevada with a population of something like 300,000 also having two senators. This means that the senator from New York represents about 50 times as many people as the senator from Nevada.

Mr. Macaluso: You might also include in your comparison the electoral college system for the election of the president, because the two systems are quite different.

Mr. MacLean (Queens): I am not talking about the election of a president at the moment, but that is true. The president is actually elected by the electoral college which has representation from all the states and, depending on the majority obtained in each state, as I understand it, all the votes from that state go to the candidate in question. It is possible, I believe, for a president of the United States to be elected by a majority of the electoral college but still have a minority of the total popular vote.

However, I was not intending to embark on that question at the moment. I was simply pointing out that, with the protection of the Senate floor, in so far as the representation of certain provinces is concerned it is merely an attempt to guarantee a certain minimum weight of representation in the national parliament from those provinces. As the Secretary of State pointed out, it is generally agreed that this principle will be followed and I do not believe it is contemplated that it should be disturbed.

Mr. Pickersgill: The senatorial floor?

Mr. MacLean (Queens): Yes.

Mr. Pickersgill: Certainly I would oppose disturbing it, very strongly indeed.

Mr. MacLean (Queens): Yes, I understand that. I am not questioning the views of the Secretary of State on this at all. I was just pointing out that I believe that we are all agreed that should be the case.

[Mr. MacLean (Queens).]

In closing, Mr. Chairman, I want to point out that, so far as this contemplated legislation is concerned, I believe it is an important forward step so far as Canada is concerned, that we should embark on a new method of redistribution. Then I should like to point out that the first redistribution under this new system, if it becomes operative, will be vitally important. I think we should not try to make progress too rapidly with this first redistribution under the new system. Great care should be taken to look carefully at all these various factors, so that we do not disturb some principles that would have to be reinstated at a following redistribution. I think if we make progress without trying to accomplish everything at once then, after the first redistribution, under the new system following redistributions will be relatively easy.

Mr. Kindt: Mr. Chairman, the subject dealt with in this resolution, that of redistribution, is an extremely important one to every member of this committee. This evening I should like to speak primarily on the question of tolerance. The Secretary of State has mentioned 20 per cent, someone else has mentioned 30 per cent and still another person has mentioned 40 per cent. I want to point out to the Secretary of State and to the committee that there is a tremendous difference between rural and urban ridings. There is the question of heterogenous conditions in rural ridings as compared with the relative homogenous conditions of urban ridings.

In the rural riding, for example, there are all the various industries and types of production which one can find spread over a large area. I speak from experience with my own constituency of Macleod, which consists of an area about 150 miles from north to south and 150 miles from east to west. There are the Rocky mountains on the west which divide the two provinces of Alberta and British Columbia. In this area one finds oil and natural gas. Fifty per cent of the natural gas which goes to Ontario originates in the Pincher Creek area; another 25 per cent or 50 per cent goes to California, and it also originates in that area. In addition there is the oil in Turner Valley. Then, at Okotoks, Texas-gulf Sulphur has constructed a plant, and if it were working at capacity it would be in a position to ship out one trainload of sulphur per day. Sulphur is also produced at Turner Valley at the Shell plant, and at the B.A. plant south of Pincher Creek.

In addition to these products which come from beneath the surface there are the various lumber products and agricultural products. There are approximately 6,000 farmers producing wheat, cattle and a wide range of products. If a member is to get to all the corners of his constituency he is faced with

a vastly different problem in serving a constituency scattered over an area 150 miles in both directions than in serving an urban area where a member can walk down a street and talk to someone. In other words, in a compact area all of your problems are centralized and it is much easier to get around to the various parts of your constituency.

Now, I mention this because I believe that in considering the principle of representation by population in connection with redistribution, a tolerance of at least 40 per cent should be given to rural areas. In other words, the theory of representation by population is all right as far as it goes. It is also necessary to recognize that a member of this House of Commons not only represents the people in his constituency but also the constituency itself, with all the natural conditions and natural resources with which he is familiar. He must also serve the people working on the resources in his constituency, scattered as they are throughout the riding. There is a tremendous amount of travelling involved, and so on.

I go even further, Mr. Chairman. My constituency is not the largest in the dominion by any means; I am not suggesting that. I could cite many others which have a much greater area than Macleod. One hon. member has mentioned the Northwest Territories, which is a tremendous area. People in the house who represent rural areas believe we must have a tolerance when it comes to representation by population, and this tolerance must be at least 40 per cent in favour of the rural constituencies. There is another factor which I hope the Secretary of State, the commissions and those who may be giving direction with regard to this measure will take into consideration. I believe that in so far as possible the people living in a constituency should be left there. If an addition is to be made, all well and good. If something is to be subtracted, that is equally well and good. But to take people from one side of a boundary and add them to another would simply cause great confusion to the constituents of a riding. People become accustomed to looking to the constituency in which they have lived for a number of years. For example, those who live in Bonavista-Twillingate look to that constituency as being the one in which they belong, and if they were suddenly pulled out of that riding and put into another there would be a great deal of confusion in their minds.

An hon. Member: They would be delighted.

Mr. Kindt: It would also mean that the people moved would take a considerable time to catch up with the facts of another constituency. The same would be true of the riding of Macleod. For these reasons, Mr. Chairman, I believe that wherever it is possible the commissions that will be working under this legislation should keep intact the boundaries and the people now living within the constituency of which they have become part. In other words, the constituency of Macleod has 51,000 people in it, and if it is necessary to subtract or add to that constituency in order to bring it up to some over-all average, I believe it is not necessary to take from one side and add to another. The constituency should be added to in a way that would not disturb the people now living there.

In conclusion, Mr. Chairman, I would say that the remarks I have made this evening are only by way of preamble, because we have not before us the bill that will be introduced in this regard. When that bill is introduced there will be an opportunity to study and comment on its provisions.

Mr. Dinsdale: Mr. Chairman, when the resolution was first introduced I did not intend to speak at this stage in the debate. After hearing the Secretary of State on that occasion making his rather interesting approach and presentation of this very important matter, and having come to the conclusion that the government's consideration of this new approach to redistribution is still in a somewhat fluid state, I thought it would be best to make my comments before we passed the resolution.

In introducing the resolution the Secretary of State pointed out that it was the desire of the government, as it had been the intention of the previous government, once and for all to get this matter of the redistribution of seats in the House of Commons, which follows automatically after every decennial census, out of the hands of the politicians themselves. I think all hon. members of the house will agree that this reform is long overdue. Indeed, if one looks back at the history of the discussion of the measure in the house, he is invariably surprised that it has taken so long for parliament to come to grips with this obvious abuse. For anyone who has been a member of the House of Commons for a number of years, particularly during a period when redistribution has taken place, has had forcibly brought home to him, from personal experience, the fact that there is indeed a better method of dealing with the redistribution of parliamentary constituencies than any of those which have been used hitherto.

I have experienced one redistribution in this house, that which was carried out following the census of 1951. It was obvious on that occasion that the objective approach was not taken in handling this difficult problem.

My own experience in dealing with the matter at that time was of course restricted to the problems of Manitoba. The problem there, as has been the case in the redistribution previous to 1951, was made more difficult by the fact that it was necessary for the province of Manitoba, along with the province of Saskatchewan, to lose some of its seats in the House of Commons. Hon. members who have reviewed the history of former redistributions will have discovered that Saskatchewan lost several seats at that time; but in order to save the situation an artificial floor was put into operation in that particular instance. Manitoba had no artificial floor placed under its representation following 1951, with the result that we dropped two more seats in the House of Commons. This has meant that our representation since 1941 dropped from 17 to 14 seats. That, for a province such as Manitoba, was a very serious loss indeed, particularly when we take into consideration the fact that Manitoba is dominated by Winnipeg, an urban area which at the present time contains almost half the population of that province.

In 1951 the decision was made to amalgamate the constituency I represented at that time, the old Brandon constituency, with the former constituency of Souris. This meant that the whole southwestern corner of the province of Manitoba would be represented by one member of parliament, and the population of the new constituency rose to something like 70,000, which was about the average for a typical urban riding. It meant that the member for Brandon-Souris, which happened to be myself, would be representing an area much larger than most urban ridings, but having at the same time a population that was comparable to the more closely integrated and more easily serviced typical urban constituencies.

There was an even deeper implication. It so happened that the only two rural Conservative members at that time were from the southwest corner of the province of Manitoba. The late Arthur Ross had sat in this house from the year 1940 as the sole Conservative representative from Manitoba until I and the hon. member for Winnipeg South Centre joined him in 1951. It might have been merely a coincidence that the decision was made to amalgamate those two constituencies. There could have been an operation conducted on other parts of the Manitoba political anatomy, but it was not without some significance that the decision was made to combine the old Souris and Brandon ridings into the new riding of Brandon-Souris. In fact I would dare to suggest there might have been some aspect of gerrymandering involved in the considerations.

Having come through that experience I think, Mr. Chairman, you will understand my present enthusiasm for the resolution that is before us and my desire to make a brief statement on it at this stage, particularly as my good friend the Secretary of State indicated he was still flexible in his thinking as to the specific proposals that would be in the bills when they are brought down. It is for that reason I am making my brief remarks at this time.

Mr. Pickersgill: I wonder would the hon. gentleman permit me to say one word on that?

Mr. Dinsdale: Certainly.

Mr. Pickersgill: I would like to indicate to the committee that not only am I paying careful attention to every suggestion being made at this stage, but when the bills have been given first reading it is also the view of the government that anything in those bills can be changed, and can be changed by a majority of the house, even if that majority does not necessarily include the majority of hon. members on this side, provided it does not touch one fundamental point which is that there must be an independent, impartial redistribution; and on this we are all agreed.

Mr. Dinsdale: I am pleased to have that interjection by the Secretary of State. I only wish that attitude of sweet reasonableness had prevailed back in 1951, because I think we might have been able to save the day for the old Souris riding if we had such a spirit of tolerance at that time.

Mr. Pickersgill: Perhaps the hon. gentleman would never have been here then.

Mr. Dinsdale: That is a matter of interesting speculation, but as I recall it at that time it was hoped I would not be here representing the new constituency, because it was anticipated that the late Mr. Arthur Ross, who was several years my senior in the house, would receive the nomination and that the new member from Brandon, who had only been here for two years, would be sent out into the political wilderness.

As it happened, and as it always happens, there is poetic justice in all of these things. Colonel Ross stepped aside. He was a man of great courtesy and chivalry, and he went on to contest the provincial election and wrested a traditional seat from the provincial Liberal party. Indeed, looking back in terms of historic perspective, I might say that was the beginning of the ascendancy of the Conservative party in Manitoba. So you see, in all such things, as the poet Robbie Burns said, "The

best laid plans of mice and men gang aft agley." That is why I find it so difficult to understand that parliament had not decided long ago to deal with these matters from a scientific and objective basis rather than from a political basis.

I would like to make some mention of the degree of tolerance that will be decided upon in the legislation. We have had various suggestions made as to how far this should go. Certainly it should represent the traditional viewpoint of representation by population. However, the geography of Canada being such as it is, with the population distributed across the country on a somewhat inequitable basis, we must give ample consideration to the geographical aspects of representation.

It is not just a rural-urban problem in the traditional sense, because in many parts of Canada there are no urban communities in the sociological sense. In some constituencies there are a series of small towns which might be semi-urban and semi-rural, but they certainly do not meet all the characteristics of the typical urban community. The very fact that there is a constituency made up of a series of these small towns places an additional burden of responsibility on the member representing it.

For example, in my constituency there are about a dozen substantial towns, and this means that all the community organizations and services are duplicated in each of these areas. A member representing an urban constituency might complain that its population is somewhat larger. According to the tolerance that is being suggested, he might have a population of some 85,000 in an entirely urban constituency, but in his constituency he has only one group of social institutions. There is only one of each denomination of churches, only one Canadian Legion and only one municipal authority to deal with, and so on. I could go through the whole list of community institutions, but in what I might call a rural-urban constituency, a constituency that is semi-rural, semi-urban, with up to 12 small communities in it, and with a population of 70,000, all these social institutions are duplicated in each of the larger towns.

It would seem to me, therefore, Mr. Chairman, that the matter of tolerance should be very closely examined by the government, and those who will be carrying on discussions with the government regarding the specific terms of the legislation. This has particular significance in the province of Manitoba. As I have already mentioned we have an urban community which, in terms of population, represents almost one half the total population of the province. I suppose the population of greater Winnipeg now would be somewhere around 500,000 which does in absolute terms of population represent one half of the population of the province. If some of the suggestions put forward in the preliminary statement by the Secretary of State are applied in the province of Manitoba, it would mean that an urban centre such as Winnipeg occupying a comparatively small geographic area would have almost one half the representation of that province. This would be particularly so were the province of Manitoba to lose another seat and reduce their representation to 13 members.

Therefore I take this opportunity to point out to the Secretary of State, and through him to the government, that in setting a specific percentage quota this problem, which is perhaps peculiar to a country like Canada, should be given earnest consideration. If we are going to have the kind of representation which is required in all parts of this country we must give consideration to geography in the specific terms I have outlined in my remarks this evening. It was mentioned the other day when we were discussing this resolution that the provincial government of Manitoba had already tackled this problem of redistribution within its own boundaries; and I think hon. members of this committee would be interested in knowing that it gave very careful consideration to the special problem which I have outlined.

Another point I should like to raise is that of the machinery that is to be set up in order to carry out this independent, impartial redistribution. On all sides of the house there has been agreement that the spirit of independence must prevail if this forward step is going to prove successful. The only difference between the official opposition and the government is that of the membership of the commission and the number of commissions which should operate in the various areas of Canada. The Leader of the Opposition expressed some reservation about a commission for each province. I would underline that reservation because it seems to me its going to be difficult enough to get uniformity across the country, because of different social, economic and geographic circumstances prevailing in the various regions of Canada, if we do not have some method which will closely integrate the policy. True enough there is going to be an attempt at co-ordination among the ten commissions suggested by the government in this resolution. However, it seems to me that some closer measure of co-ordination is going to be required; perhaps the regional approach would be better than the provincial approach. But there certainly needs to be some better method of co-ordination to meet the special circumstances of

Canada which I have already outlined, if we are going to have some uniformity in carrying out redistribution.

The final point I want to make is that I would draw the government's attention to the desirability of having judges connected in some way with the redistribution process. This is the formula that has already been established in the province of Manitoba and it has worked there with eminent success. There have been no complaints concerning the workings of that independent commission on redistribution in the province of Manitoba. It was one of the proposals in a somewhat similar resolution and consequent legislation contemplated by the former administration, and it seems to me that it would be the best method of ensuring the high degree of independence which I am sure all hon. members of this committee are desirous of obtaining for the work of this commission.

[*Translation*]

Mr. Chapdelaine: Mr. Chairman, last Wednesday, when the house adjourned, I had not completed my remarks concerning redistribution of electoral constituencies, but I did not intend to complete them, because I had thought at that time that everything had been said at the resolution stage. My only hope was that, since all parties agreed to the redistribution, this might be done as soon as possible.

However, in view of the stand taken by the Conservatives, who seem to want to prolong the debate, without telling us just why, I feel I will not be blamed for prolonging it a little if I make a clear contribution to the proposed measure.

Mr. Chairman, after listening to several members, one reaches the conclusion that the real problem with redistribution is that it must be done in such a way that representation of one group of the population must not be detrimental to another group. In that connection, one recognizes the claim of some people who want the rural ridings to be represented according to their population and in as great a number as the rural ridings.

Mr. Chairman, I am of the opinion that the size of the electoral ridings as well as the linguistic and religious aspirations of the various areas must be considered in order to determine exactly the boundaries of an urban or a rural electoral riding.

As far as I am concerned, as I stated the other evening, in view of what is happening in the house, I would be in favour of a decrease in the number of members rather than of an increase since every time we are studying a bill, we have to go through the resolution stage where suggestions are made to the government but very seldom accepted since it already holds its views on the matter. Moreover, when we come to the motion preceding the second or third reading of the bill, we renew our claims which always remain unsatisfied. Therefore, it would be better to do away with the resolution stage so that we would not have to listen so often to speakers who do not intend to make a constructive contribution to the progress of the business of the house.

Mr. Chairman, I believe that everyone agrees that the distribution of seats should be revised and that the principles of such a redistribution consist of the unbiased appointment of qualified people. However, in the present framework of Canadian politics, it is very difficult to find people who are proof against any partisan influence, because even at the judicature level, it must be remembered, as I pointed out the other day, that in most cases, judges are appointed by virtue of their political ties.

Mr. Chairman, the Leader of the Opposition (Mr. Diefenbaker) stated that he advocated the appointment of judges instead of commissioners for the redistribution job in the various provinces. Moreover, as I said before, I think the commissions should be created at the provincial or regional level throughout the country, and that there should be five or six commissions which would represent the various territories of our country. Besides, these commissions should include members who understand the needs of the different areas, in order to be in a position to proceed accordingly with redistribution.

Mr. Chairman, this brings me to mention the inconsistency we have shown at election time ever since 1867, as the problem of redistribution dates back to the beginning of confederation, when everybody admitted that the distribution of ridings had to be constantly revised.

Today it is more and more obvious that an immediate redistribution is necessary in order to be fair with everybody. At the present time, elections are made to the prejudice of several citizens of this country. We find that there are several parties which would nevertheless like to have elections in ridings where they know that justice will not be done to voters after the election.

I believe that the fact that the present distribution is inadequate should be taken into consideration before considering whether to bring about an election because the parties already agree the Canadian people, in the event of another election, would be unfairly treated on account of the wrong distribution of the constituencies.

There is a view, Mr. Chairman, which it would be wise to remember. If, as I suggest,

the number of members of the House of Commons should be decreased, owing to the time being wasted, often on account of empty speeches, higher allowances should be provided for those members or candidates who have to travel longer distances during their electoral campaigns.

A travelling allowance could be provided for candidates or members for large ridings like those of the prairie provinces, for instance, so that there would be no disparity between them and members for urban constituencies.

Mr. Choquette: There is not a penny left in the hon. member's campaign fund.

Mr. Chapdelaine: Mr. Chairman, I appreciate that it would be more appropriate to make such a proposal when the house is discussing the Canada Elections Act, but I feel that it is relevant to the question under consideration.

Be that as it may, Mr. Chairman, I still say that the debate on the resolution is a waste of time for the taxpayers, for the house and for everyone. The sooner it is over the better it will be.

[*Text*]

Mr. Baldwin: I appreciate the generous invitation of the Secretary of State which, as I understood it, constituted a suggestion that all members who had some contribution to make or some suggestions to advance should, either at this stage or on second reading, give the committee or the house the benefit of their views. That statement removed any doubt I had felt about speaking at this time. As a matter of fact, I think that at this stage we are far less cribbed and confined than we are on second reading, despite the fact that the Secretary of State did hold out the hope—and I think we can take it at its face value—that the government would not be too strict in its interpretation of the rules and would be prepared to consider meeting reasonable suggestions and making amendments at that time.

Like the previous speaker I feel that on a subject as important as this it is not only the right but the duty of every member to make his views known. I should like to have seen the range of our discussion on this particular measure broadened to include expressions of opinion by those who sit opposite and support the government. I hope that before this resolution passes we shall have the benefit of their wisdom. I say this because here we have an opportunity, on behalf of our constituents, who are even more vitally concerned with the results of this measure than are the individual members of this committee, to make known the views of those who elected us. If we have been good members we probably know by now what the people in our constituencies feel about this measure. Now we have an opportunity to put those views on record. Not only will the government be able to hear and read them in due course, but the tribunal itself will, I hope, in the discharge of its task, turn to this debate and to the debates which follow to learn how the people of Canada wish these problems of redistribution to be handled.

I am in accord with what has been said by my hon. friend from Brandon-Souris, by my leader and others, that it is of the essence that the tribunal to be established should be composed in part of people who are or have been high court judges. I do not wish to go into the subject to any great extent because I think everything that could usefully be said has been said. But I think it is undoubtedly a fact that men who have been partisan and prejudiced in political life, upon taking the judge's oath and ascending to the bench have, in almost every instance I can think of, put to one side their preconceived prejudices and views and have discharged the duties which have been cast upon them without regard to the views they may have held in the past. For that reason I think it would be most useful to have as at least a considerable element in this tribunal some people who have held judicial office.

I think that all of us bring to this particular problem some of the views we have elicited as a result of our own particular circumstances in the constituency or the area of which we have particular knowledge. I do not think it would be amiss for me to give very briefly some of my views which have been generated as a result of my own experience in a constituency vast in size and covering more than one third of the province of Alberta but which has a population of approximately 80,000 people. I can say that my remarks tonight are objective. Nothing that can be done within the limits of what has been suggested would in any way hurt my constituency or do damage to it, so I hope my remarks will be considered to be generally objective.

The constituency of Peace River extends from the westerly boundary of the Canadian shield to the eastern slopes of the Rockies and from the 55th parallel to the 60th parallel. The population is scattered throughout the constituency, not like many northern constituencies where the largest number of people are to be found in the southern areas of those constituencies. In this case they are to be found in all parts of the constituency. When I go home during recesses it takes me two months to two months and a half to cover the constituency adequately and attempt to give that service to the people

of the area which in my view a member of parliament should provide if he is going to be a good member of parliament. This does not mean that I make personal contact with anything other than a percentage of the people, but at least I attempt to place myself in a position where the people of the area have the opportunity to see me, talk to me and present their views. I do so because, as I see it, it is part of my duty when I come here representing these people to bring to the house the views I have gathered during discussions with those I represent. I submit that anything less than that would be short of what my true function as a member of parliament must be.

Having in mind the impetus which has been given to northern development—I hope hon. members will not think I am being too partisan if I refer to some of the measures passed under the last government—this district will acquire another 20,000 to 25,000 people in a comparatively short time. There is bound to be a division. Yet as I see the situation, if specific and inflexible rules are laid down requiring that population shall be the main criterion as to the size of a constituency, it may well be that a division cannot be arranged which will permit the true representation that the area should have.

It is my submission that, apart from anything else that has been said, some attempt should be made to introduce, in addition to the criterion of population and the tolerance which would go with it, a measure which would provide that, subject to certain set, specific conditions being present, a member may be returned from an area with less than the minimum population referred to in the legislation. I think you would have to provide very specifically what those conditions were. I do not think such a provision could be allowed to be used improperly or injudiciously, but I do feel this suggestion might well provide an answer to some of the views which have been expressed by some of the members during the course of the debate.

I think there is a precedent for this, Mr. Chairman. The government has just concluded a conference with the 10 provinces. During the course of and following these discussions certain new views have been advanced as to payments to certain provinces on the basis of equalization. It is my understanding that in this unique experiment of building a nation from sea to sea in the northern part of this continent, which is subject to such tremendous variations in geography and economy, we have established the equalization principle in order to provide a measure of equality and to iron out these differences. Without that we would not have a viable nation. I submit that the same principle of equalization might well be applied to the question of representation.

I appreciate the problem of those members who represent constituencies with tremendously large populations. Their problem is a very difficult one. I do not for one minute attempt to minimize it, but I think there is at least a homogeneity to their representation which is of advantage to them and, more important, permits their constituents to have access to them. This is not always apparent in the case of rural constituencies.

What will be the ultimate result if we should carry through to its logical conclusion the principle of representation by population? As I see it, we would ultimately find in Canada not only 10 provinces but, superimposed upon those 10 provinces, some 10 or 12 or 14 large city states. These city states would probably control two thirds to three quarters of the representation in the House of Commons. This in turn would attract a concentration of power into the hands of these city states which I think would add immeasurably to the complexity of governing this country. Hon. members are familiar with the old principle as expressed by one southern senator, "Them that has gits". Having in mind human nature, which all of us recognize is a factor, large cities with a large membership in the house would inevitably in due course be able to provide greater and greater benefits for these large centres of population through legislation which they would be able to control. If this should happen I believe the inevitable result would be the breakdown of the country as we see it.

There may be hon. members who feel I am too far fetched in projecting my thoughts to this ultimate conclusion but I do not think so. I think this is very likely to happen. Therefore in my view any measure of redistribution affecting the membership of the house should take into consideration the vital fact that there should be a measure of representation which is not necessarily consistent with population but is consistent with the proper growth of the country. To that end I suggest that those who have spoken, and I understand and appreciate the sentiments which motivated them, for a rigid yardstick of population with a very small tolerance are, in the final analysis, doing a disservice to this country.

Mr. Pickersgill: If I might be permitted to say a word at this point, Mr. Chairman, I have the impression that it is not the disposition of the committee to carry the resolution this evening. I have no criticism whatever to make of that. Perhaps it might be helpful to have a little consultation outside the house before we go on with this particular matter.

If it were agreeable to the committee I should like to move—I am not doing so now—that the committee rise, report progress and then I would ask hon. members if there would be unanimous consent to have item No. 16 on the order paper called. This is a resolution preceding a bill to amend the Aeronautics Act. I think this is a non-controversial measure and it is designed to remedy a defect in the law. I think the debate on this measure could be conducted far better when the bill is in front of us and we see precisely what is in it. If there were such a disposition the bill would be available, amongst the several measures that I hope to announce at the end of the day, with which the house could deal tomorrow.

I think it would be better if we could stand over this redistribution matter for a few days and then we could make better progress towards the goal I think all hon. members share, and that is trying to conclude the business of this session in an orderly fashion before Christmas.

Mr. Churchill: We are in agreement, Mr. Chairman.

The Chairman: Shall I rise, report progress and ask leave to sit again?

Some hon. Members: Agreed.

Progress reported.

AERONAUTICS ACT

AMENDMENTS RESPECTING CHARGES FOR USE OF FACILITIES AND SERVICES

Hon. J. W. Pickersgill (for the Minister of Transport) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Aeronautics Act to authorize the governor in council to make regulations prescribing charges for the use of any facility or service provided by or on behalf of the Minister of Transport for or in respect of aircraft or at an airport and to make such regulations as he deems necessary to impose upon the owners or operators wherever resident, of any aircraft charges for the availability during any flights of such aircraft within or outside Canada of any facility or service provided by or on behalf of the minister; to provide also for the payment of certain expenses of witnesses attending before boards of inquiry established by the minister to investigate aircraft accidents; and to make certain other amendments for the better administration of the act.

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

Mr. Herridge: I have one question to ask the Secretary of State, and that is whether this legislation applies to airports owned by municipalities that have received grants from the federal government?

Mr. Pickersgill: I think the bill will make that point clear. This is precisely why I thought it would be preferable to have the bill before us. I have read the resolution carefully and it does not appear to me that it would apply to any airports except those under the jurisdiction of the Minister of Transport. I think the bill will explain this much better than I could hope to do.

Mr. Barnett: Might I ask the minister, is it the intention of the government that this bill be referred to a standing committee for detailed consideration after second reading?

Mr. Pickersgill: There has not been any such thought. I think when hon. members see the bill they will probably have doubts about whether, in view of the number of other committees we have sitting, it would be worth while to do this. However, if there were such a disposition I am sure the Minister of Transport, who is one of the most agreeable members of the house, would be very happy to consider the request.

Resolution reported and concurred in.

Mr. Pickersgill (for Mr. McIlraith) thereupon moved for leave to introduce Bill No. C-117, to amend the Aeronautics Act.

Motion agreed to and bill read the first time.

Mr. Pickersgill: I wonder if the committee would like to take the C.O.T.C. bill, which was in committee of the whole. We could probably do that in the next couple of minutes.

CANADIAN OVERSEAS TELECOMMUNICATION CORPORATION ACT

AMENDMENTS RESPECTING CO-ORDINATION WITH OTHER NATIONS, ETC.

The house resumed from Monday, November 25, consideration in committee of Bill No. C-112, to amend the Canadian Overseas Telecommunication Corporation Act—Mr. McIlraith—Mr. Lamoureux in the chair.

On clause 1—*Composition of board.*

The Chairman: Shall clause 1 carry?

Mr. Churchill: Give us a chance to find the bill, otherwise we will not agree to this at all.

The Chairman: Shall clause 1 carry?

Mr. Knowles: Ten o'clock.

Clause agreed to.

Clauses 2 to 6 inclusive agreed to.

Title agreed to.

Bill reported.

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

Some hon. Members: Next sitting.

Mr. Pickersgill: Perhaps we should hold it for the next sitting in case any hon. member who was not here this evening might wish to say something on third reading.

BUSINESS OF THE HOUSE

Mr. Churchill: May we now hear about the business for tomorrow?

Mr. Pickersgill: Mr. Speaker, acting on the advice of the hon. member for Winnipeg South Centre, I am not going to ask the house to go on tomorrow with the resolution we were considering this evening. Instead I hope, unless there is any strong objection, that we could start with third reading of this bill to which we have given such careful consideration. Having done that, we would take the second reading and, I hope, all the other stages of the aeronautics bill, and then the bill on the Currency, Mint and Exchange Fund Act. If we make very good progress, there are two or three other bills which could be dealt with. There is No. 5 on today's order paper, regarding an agreement with the province of Ontario respecting public harbours; No. 7 the National Harbours Board Act; and No. 8, the Carriage by Air Act. These items standing in the name of the Minister of Transport might be disposed of. I think that will probably be enough; but if not, there are one or two other items on the order paper. Anyway, I hope the house will be prepared to go on with those items with which the government intends to proceed.

Mr. Churchill: No. 4?

Mr. Pickersgill: Yes, we could dispose of No. 4.

It being three minutes after ten o'clock the house adjourned, without question put.

HOUSE OF COMMONS

HOUSE OF COMMONS

Wednesday, December 4, 1963

The house met at 2.30 p.m.

PRIVILEGE

MR. GREGOIRE—COMMITTEE CONSIDERATION OF BILLS C-83 AND C-84

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I rise on a question of privilege.

On Monday, July 8, 1963, as recorded on page 1968 of *Hansard*, the Secretary of State (Mr. Pickersgill) made a commitment to some hon. members, and more particularly the member for Lapointe.

At that time I had asked the Secretary of State the following question on Bills C-83 and C-84: If the committee is ready to sit, and the Secretary of State can assure us that it will and sit before the bill is presented, then we will agree to the bill being read for the first time. The Secretary of State answered:

> I would be quite prepared to give an undertaking that in some fashion or other this matter would be remitted to a committee so that the matters the hon. member wishes to raise could be raised, if that is satisfactory.

I wish to point out that it was to the member for Lapointe that the Secretary of State was speaking, when he said:

> —so that the matters the hon. member wishes to raise could be raised.

The Minister of Northern Affairs and National Resources (Mr. Laing) confirmed that promise, as can be seen on the same page of *Hansard*:

> I would confirm the undertaking given by the house leader that we will have a committee set up suitable to the hon. member where these matters can be discussed.

Further on—and here the matter becomes clearcut—the Secretary of State said as recorded on the same page of *Hansard*:

> Once these two bills are seen, if there is any demand from any quarter of the house that some of the matters in the bills or other matters related to them could usefully be reviewed by a committee, I will undertake to ask my colleagues to have this done, and I feel sure they would agree with me. In fact, I am quite prepared to commit the government to putting a motion on the order paper for a reference to a suitable standing committee of the house to consider these matters before we proceed with the legislation itself.

Mr. Speaker, I can give further proof of what I am saying by referring to *Hansard* of October 11, 1963, page 3469, left hand column. The Secretary of State said on that date:

> Mr. Speaker, there is absolutely no question that I did make a very precise commitment and I intend to carry out that commitment if there is any insistence on the part of any hon. member that I do so. The commitment was to refer a specific matter—

Mr. Speaker, that specific matter was the frontiers of the Northwest Territories, as it will be seen in a moment.

I continue with my quotation:

> The commitment was to refer a specific matter, namely the frontiers, to the consideration of the committee before we proceed with the bill.

Mr. Speaker, those were formal and definite commitments on the part of the Secretary of State and of the Minister of Northern Affairs and National Resources. And I think that at one time the Secretary of State mentioned that it was precisely the matter of northern frontiers that was referred to the committee on mines, forests and waters. Indeed, the Secretary of State stated, a little further:

> But if the hon. member or any other hon. member wishes to insist that the matters raised in the debate, that is to say, the question of the frontiers of the territories, should be considered separately first by a committee, I will endeavour to consult with whoever raises objection, the hon. member for Lapointe or anyone else, and try to draft some kind of motion to refer the matter to some suitable committee and bring it forward for debate.

Therefore, Mr. Speaker, the committee was specifically set up to study that problem. Now, the chairman of the committee, the hon. member for Nickel Belt (Mr. Godin) and the parliamentary secretary to the Minister of Northern Affairs and National Resources, the hon. member for St. Lawrence-St. George (Mr. Turner), have violated the commitments—

[*Text*]

Hon. J. W. Pickersgill (Secretary of State): I think at this point I should raise a point of order. I have been listening attentively to find out what the hon. gentleman was raising as a question of privilege. It is evident now that he is complaining about something which took place in a committee, complaining that it did or did not do something. If that is his question of privilege, that is a matter for the committee itself.

I will tell him right now that if there is anything which I am supposed to have done or not to have done which concerns that committee or which the committee wishes to question, I shall be quite prepared to go before the committee and be questioned about it. But it is a rule of the house that the time of the house is not taken up with proceedings in a committee until the committee has made a report, and it seems to me it is altogether wrong for any member to attempt, in the guise of raising a question of privilege, to bring before the house a matter which is still before a committee.

An hon. Member: It is not before a committee.

Mr. Pickersgill: If the hon. member wishes to speak, perhaps he would wait until I have finished. I believe it is proper to appeal a decision of the chairman of a committee, just as one can appeal a decision of the chairman of the committee of the whole. There is a procedure for doing that. It is a recognized procedure. But it is not a proper procedure to bring up as a question of privilege in the house anything which happens within a committee, and if we are to make any progress in the house this practice, if seems to me, will have to be curtailed.

[*Translation*]

Mr. Gregoire: Mr. Speaker, I do not want to complain at all about what happened in the committee, but since the commitments made by the Secretary of State and the Minister of Northern Affairs and National Resources were violated, I move, seconded by Mr. Caouette:

> That this house direct the standing committee on mines, forests and waters to undertake the study of the frontiers of Northwest Territories and neighbouring provinces, in relation to Bills C-83 and C-84, in order to comply with undertakings by the Secretary of State and the Minister of Northern Affairs and National Resources.

[*Text*]

Mr. Speaker: Order. I have to decide whether or not there is a question of privilege here. First of all, if this motion is in the nature of a substantive motion it requires notice, but I do not believe the question is that difficult. It is more in the nature of a grievance. I allowed the hon. member to speak at very considerable length. Although points of privilege should be stated as concisely as possible in order not to waste the time of the house, I allowed him to continue at some length in order to see whether he would move a motion.

I really do not have much trouble in resolving the point at issue. Only a few days ago I suggested to the house and I now say that a committee is bound by the order of reference to it, and that the committee decides within its own confines questions of procedure and points of order. If there was a point of order which the hon. member wanted to raise in the committee he should have done so, and if he was not satisfied with the decision of the Chair at the time he could have appealed to the other members of that committee.

An hon. Member: No.

Mr. Speaker: But in order to help the house and the hon. member I have given some thought to this question, which fortunately I anticipated might arise. May I say that the so-called question of privilege raised today is in effect an appeal to the house from the ruling of the chairman on a proceeding in a standing committee, and I must say I question very seriously the regularity of this procedure at this time.

The first precedent in this regard arose in 1956, when the chairman of the standing committee on banking and commerce reported that his ruling had been appealed in the committee and he submitted the question to the judgment of the house. This is recorded at page 6388 of *Hansard* of July 24, 1956. Mr. Speaker Beaudoin in part dealt with the question as follows:

> I have to rule now that the appeal from the chairman's ruling should be settled in the committee on banking and commerce and not reported to this house.

This matter is referred to in Beauchesne, fourth edition, page 241, citation 295, which reads in part as follows:

> On July 24, 1956, an appeal was taken to the house from the standing committee on banking and commerce, and the Speaker ruled that the chairman's ruling should be settled in the committee and not reported to the house.

The second precedent in this regard is found on Wednesday, August 6, 1958, page 3141 of *Hansard*. Following the first precedent Mr. Speaker Michener stated among other things:

> —it must be stated that there is no known precedent wherein the Speaker of the house has acted either as arbitrator or as judge in connection with the regularity of any proceedings in any committee of the house.—I find, therefore, that it would not be practicable for the Speaker, nor would it be competent for him, to review a ruling upon a regularity of a proceeding in a standing committee. This decision, of course, does not interfere with or deprive the house of its jurisdiction over its standing committees and their reports.

On the matter of the jurisdiction of the committee I could follow this up with the following quotation from May's Parliamentary Practice, sixteenth edition, page 655, under the heading, "Reporting of Bills to the House

Before Their Consideration Has Been Concluded". I am giving this detail because I think it might be useful to all hon. members.

It is the duty of standing committees, as of all committees, to give the matters referred to them due and sufficient consideration. Accordingly, the chairman of a standing committee will not accept a motion that the committee do not proceed further with the consideration of a bill from a member who is not in charge of the bill, nor will he accept a motion for reporting a bill to the house before its consideration has been completed by the committee, or any other motion which conflicts with the obligations imposed on the committee by the house.

Bourinot's Parliamentary Procedure, fourth edition, page 520, also says:

Every committee on a public bill is bound to report thereon. The house alone has power to prevent its passage or to order its withdrawal.

Beauchesne, fourth edition, citation 506, says:

Every bill referred to the committee must be reported.

And later:

It is the duty of every committee to report to the house the bill that has been committed to them—

In this connection I might refer hon. members to standing order 109.

On the subject of an order of reference, an indication by a minister of the crown that something may be done in the committee is not a part of the order of reference.

On June 19, 1924, Mr. Speaker Lemieux stated, as found in *Hansard*, page 3389:

Under the rules and customs of British parliaments, standing committees are not administrative bodies and their power is limited by such orders or instructions as may be given the house.

For the reasons I have given I am of the opinion that there is no question of privilege involved, nor is there any point of order which would justify my interference with the proceedings of the committee in question.

[*Translation*]

Mr. Gregoire: Mr. Speaker, I appeal against your ruling.

[*Text*]

Mr. Speaker: The house has heard the decision of the Chair, from which the hon. member for Lapointe has appealed. All those in favour of the sustaining the decision of the Chair will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

Division

And more than five members having risen:

Mr. Speaker: Call in the members.

And the members having been called in:

Mr. Speaker put the question as follows:

"The question before the house is an appeal from the ruling of the Chair which is as follows. The hon. member for Lapointe (Mr. Gregoire) having risen on a question of privilege, proposed a motion as follows:

Shall I dispense?

Some hon. Members: Dispense.

Mr. Speaker: The Chair decided, in effect, that the motion did not raise a prima facie question of privilege and stated that it appeared the said motion was in effect an appeal to the house from a decision of the chairman of a standing committee, and ruled there was no question of privilege involved nor any point of order which would justify the Chair's interference with the proceedings of the committee in question. Is it the pleasure of the house that the Speaker's decision be sustained?

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:

Armstrong	Garland
Asselin (Notre Dame de Grace)	Gelber
Asselin (Richmond-Wolfe)	Gendron
Badanai	Godin
Batten	Gordon
Bechard	Granger
Benidickson	Gray
Benson	Greene
Berger	Groos
Blouin	Guay
Boulanger	Habel
Byrne	Hahn
Cameron (High Park)	Haidasz
Cantin	Harley
Caron	Hays
Carter	Hellyer
Chevrier	Honey
Choquette	Jewett, Miss
Chretien	Klein
Côté (Longueuil)	Lachance
Crossman	Laing
Cyr	Lamontagne
Davis	Lamoureux
Deachman	Laniel
Denis	Laverdiere
Deschatelets	Leduc
Drouin	Lessard (St. Henry)
Drury	Lloyd
Dube	Macdonald
Dupuis	MacEachen
Emard	MacNaught
Ethier	McIlraith
Eudes	McLean (Charlotte)
Favreau	McMillan
Forest	McNulty
Forgie	McWilliam
Francis	Matheson
	Matte
	Mitchell

Division

Moreau
Morison
Mullally
Munro
Nicholson
Nixon
O'Keefe
Otto
Pearson
Pennell
Pickersgill
Regan
Richard
Rideout
Rinfret
Rochon
Rock
Rouleau
Roxburgh
Ryan
Sharp
Tardif
Teillet
Temple
Tremblay
Tucker
Turner
Wahn
Watson (Chateauguay-Huntingdon-Laprairie)
Whelan—106.

NAYS

Messrs:

Alkenbrack
Balcer
Baldwin
Barnett
Beaule
Belanger
Bigg
Boutin
Brewin
Cameron (Nanaimo-Cowichan-The Islands)
Cantelon
Caouette
Cardiff
Casselman, Mrs.
Chapdelaine
Chaplin
Chatterton
Churchill
Clancy
Coates
Côté (Chicoutimi)
Crouse
Dinsdale
Dionne
Doucett
Douglas
Enns
Fane
Fisher
Fleming (Okanagan-Revelstoke)
Forbes
Frenette
Gauthier
Girouard
Grafftey
Gregoire
Hales
Hamilton
Harkness
Herridge
Horner (Acadia)
Horner (Jasper-Edson)
Howard
Howe (Wellington-Huron)
Irvine
Jorgenson
Kennedy
Kindt
Knowles
Korchinski
Langlois
Latulippe
Lessard (Lake St. John)
Loney
MacEwan
MacInnis
MacLean (Queens)
Macquarrie
MacRae
McBain
McIntosh
Madill
Mandziuk
Martin (Timmins)
Martineau
Mather
Millar
Monteith
Moore
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nasserden
Nesbitt
Nielsen
Nowlan
Ouellet
Pascoe
Perron
Peters
Pigeon
Plourde
Prittie
Pugh
Rapp
Rheaume
Ricard
Rondeau
Scott
Simpson
Slogan
Smallwood
Southam
Starr
Stefanson
Thomas
Thompson
Valade
Vincent
Watson (Assiniboia)
Webb
Webster
Weichel
Willoughby
Winch
Winkler
Woolliams—106.

[*During the taking of the vote,* the Second Clerk Assistant having called the name of Mr. Herridge while the names of those in favour of sustaining the Speaker's ruling were being recorded:]

Mr. Herridge: No, Mr. Speaker.

Mr. Nowlan: Would the Speaker please put the question so we know where we are?

An hon. Member: Call for those opposed.

Mr. Speaker: I had called for those in favour, and if there are no other hon. members in favour I am about to call for those opposed.

And the result of the vote having been announced: Yeas, 106; nays, 106:

Mr. Speaker: Since the decision has not been negatived, I declare my ruling sustained.

[*Later:*]

Mr. Cashin: Mr. Speaker, I should like an opportunity to declare that I was paired. Had I voted I would have voted to sustain Your Honour's ruling.

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to raise a question of privilege regarding the mines, forests and waters committee. I do so because this is the first time it has come to my attention that the committee is meeting to study the matters which were referred to it.

At page 559 of *Votes and Proceedings* for November 15 last a motion appears, moved by the hon. member for Winnipeg North Centre (Mr. Knowles), which was carried, stating in effect that my name be substituted for that of the hon. member for Kootenay West (Mr. Herridge) on that particular committee. So far to date I have received no notification that the committee is meeting. If a motion were to be moved on this matter I think it would be to the effect that the chairman of that committee be instructed to carry out his functions and notify all members of that committee of the times and places of meetings of the committee.

Mr. Gene Rheaume (Northwest Territories): Mr. Speaker, on a question of privilege, certain matters were referred by this house, prior to the holding of committee sessions, to the standing committee on mines, forests and waters. When the matters referred to it by this house were brought forward for discussion, the chairman of that committee ruled that those matters could not be considered because they were out of order; that they must be referred back to this house for approval before they could be raised. When the hon. member for Lapointe attempted to carry out the instructions of that committee you, Mr. Speaker, ruled him out of order.

My question of privilege is this. What does a member of the house do when the house

refers a matter to such a committee, which matter is then ruled out of order by the chairman on the ground that only this house can instruct the committee, and when we bring it up in this house Your Honour rules us out of order?

Some hon. Members: Sit down.

Mr. Speaker: I do not think the hon. member seriously contends that he is raising a question of privilege. He is in effect discussing a matter which was up for discussion before a ruling was made on it. As that matter has now been decided I do not see any point of privilege.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, on the question of privilege which the hon. member has just raised, surely it is of concern to this house if a commitment made by the government leader of the house with reference to certain legislation is not honoured. I am not a member of that committee and I do not know whether or not that commitment was honoured, but members on that committee do feel that there has been a breach of faith. I think the government has a responsibility to do something about this question and not hide behind some interpretation of the rules of the house. If the house in good faith accepted a minister's word and sent legislation to a committee for study, surely that committee ought to deal with that legislation in the terms outlined to the house by the minister responsible for making the commitment.

Mr. Pickersgill: Mr. Speaker, I indicated when I interrupted the hon. member for Lapointe nearly an hour ago—

Some hon. Members: Oh, oh.

Mr. Woolliams: Playing politics.

Mr. Pickersgill: Am I not to be heard after my word is questioned? I indicated, and the house has now sustained the decision, that matters within the committee shall be settled by that committee. I also offered to go before the committee to be questioned on any undertakings which I had given, about the committee, in the proper place. It seems to me that if the house had accepted that undertaking at that time we would have got on with the business of the house today.

I repeat the undertaking. I am most anxious that any undertaking I gave as house leader or in the name of the government shall be carried out, and I will be very happy at any convenient time to appear before the committee to be questioned about the exact nature of my undertaking. I give that to the house as my word. I am not a member of that committee. I had nothing whatever to do with the proceedings which took place in the committee. However, I make the offer to appear before it and give any information I can which will assist the committee in any way in regard to this matter; and I hope that the undertaking I gave in good faith will be kept.

An hon. Member: You had better tell the chairman.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, on a point of privilege, the Secretary of State is simply stating that he will appear before the committee and answer their questions. The point is that he made a definite commitment, a commitment which is on the record. The chairman of the committee can overrule the Secretary of State when he does make an appearance. Surely this is a case for the Prime Minister to intervene and speak to the chairman of the committee.

Mr. Martineau: May I just ask a question?

Mr. Speaker: Order, please. We have had a point of privilege raised and it has been decided. We have now had further discussion. I think we should get on with the business before the house.

COMMITTEES OF THE HOUSE

RAILWAYS, CANALS AND TELEGRAPH LINES—MOTION FOR CONCURRENCE IN FOURTH REPORT

Mr. Prosper Boulanger (Mercier) presented the fourth report of the standing committee on railways, canals and telegraph lines, and asked for unanimous consent to move that the report be concurred in.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, we do not propose to give unanimous consent to this recommendation, because we feel it is wrong that any committee with 60 members should be able to proceed with a quorum of only 10.

EXTERNAL AFFAIRS—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. John R. Matheson (Leeds) presented the first report of the standing committee on external affairs and moved that the report be concurred in.

Motion agreed to.

BANK OF CANADA ACT

AMENDMENT TO CHANGE FORM OF BANK NOTES

Mr. Maurice Côté (Chicoutimi) moved for leave to introduce Bill No. C-118, to amend the Bank of Canada Act (form and material of notes).

[*Translation*]

Some hon. Members: Explain.

Mr. Côté (Chicoutimi): Mr. Speaker, as is indicated in its contents, the object of this bill is to decree that bank-notes must not be incorrect or misleading. Now, the notes issued by the Bank of Canada are certainly incorrect and misleading because they bear the following mention:

Will pay to the bearer on demand.

Such words printed on Bank of Canada notes, which are legal tender, are misleading. Instead of these words:

Will pay to the bearer on demand

I move that the words—

Legal currency

—be printed, because since 1940 our legal currency is no longer guaranteed by gold.

[*Text*]

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*INVESTIGATION OF UNIDENTIFIED FLYING OBJECTS

Question No. 1,416—**Mr. Winch:**

1. Is Canada co-operating with the special United States program for investigation of unidentified flying objects and, if so, is this entitled "Project Magnet"?

2. Is "Project Magnet" an unpublicized world-wide operation, using specially equipped, super constellations, non-uniformed pilots and civilian scientists?

3. Was the late Wilbert B. Smith, a government scientist, the head of the Canadian section of the U.F.O. research operation?

4. Is any data available from "Project Magnet" to the general public?

Mr. Dupuis: 1. The R.C.A.F. co-operates with the United States in the investigation of reports of unidentified flying objects as in other matters of mutual interest, but not as part of a special program. The United States program known as "Project Magnet" is not directed to the investigation of unidentified flying objects.

2. "Project Magnet" is a program conducted by the naval oceanographic office of the U.S. navy concerned with the compilation of geomagnetic data covering all the oceans of the world. The data are obtained in survey flights of U.S. navy aircraft carrying civilian scientists. Information concerning this program has been freely available for some years to interested scientists.

3. Between December, 1950 and August, 1954 a small program of investigation in the field of geo-magnetics was carried out by the then telecommunications division of the Department of Transport with a view to obtaining, if possible, some physical information or facts which might help to explain the phenomenon which was generally referred to as unidentified flying objects. Mr. W. B. Smith was the engineer in charge of this program.

4. It is understood that data obtained in "Project Magnet", in the form of geo-magnetic charts, is available upon application to the naval oceanographic office of the U.S. navy.

C.B.C. EXPENDITURES FOR CANADIAN PERFORMERS

Question No. 1,480—**Mr. Martineau:**

1. Has the Canadian Broadcasting Corporation expanded, in the course of the current fiscal year, the proportion of its budget spent in Canada on Canadian performers?

2. What proportion of its budget is spent for this purpose?

3. Have any measures been taken by the Canadian Broadcasting Corporation, of the current year, to increase the Canadian content of programs and, if so, what are these measures?

Mr. Pickersgill: I am informed by the Canadian Broadcasting Corporation as follows:

1. The corporation does not assign on a proportionate basis a specified amount of its over-all program budget to be spent on Canadian performers. It prefers to allow greater flexibility to meet the variation in program needs and availabilities. Therefore it is not possible to give a categorical yes or no answer to the question. However, it can be said that, as the present winter program schedule gets underway, the indications are for an expansion in the over-all amount paid to Canadian performers.

2. See No. 1.

3. Measures have been taken by increasing the weekly amount of television network programming thereby opening up more opportunities for Canadian performers in C.B.C. produced programs, as well as those produced by other Canadian sources for the C.B.C. television network. It should be noted that the C.B.C. French and English networks carry a considerably higher percentage of Canadian content programs than the 55 per cent required by the B.B.G. For the year ending October 12, 1963, the English t.v. network carried 63 per cent Canadian, 6 per cent commonwealth, 31 per cent foreign and the French t.v. network carried 62 per cent Canadian, 15 per cent commonwealth, and 23 per cent foreign, programming.

FILM BOARD PRODUCTION "FIELDS OF SACRIFICE"

Question No. 1,487—**Mr. Matheson:**

1. What is the nature and character of the national film board production "Fields of Sacrifice" and, why was it produced?

2. Who were the persons principally responsible for its production and, what were their qualifications?

3. What actual battle scenes are shown and, what areas are revisited in modern technicolour?

4. How can the Canadian public see this film and, when, and how will it be available for distribution to interested groups?

Answer: 1. The national film board production "Fields of Sacrifice" or "Champs d'honneur" is made up of a 40 minute film in English and in French and a 20 minute version in English and in French. It is in colour except for flash-back sequences. It was made in two lengths in order to achieve the widest distribution.

This production was commissioned by the Department of Veterans Affairs to recall the courage and sacrifice of Canadian servicemen during the 1914-18 and 1939-45 wars and to show Canadians, particularly the next of kin of those who died, how the memory of Canada's war dead is honoured and cherished in the countries where they fell. It is also designed to give renewed and vital meaning to the spirit of remembrance to the comrades of the war dead, to their next of kin and to those who were too young to know them at all.

2. Executive producer, Peter Jones; producer, director, writer, Donald Brittain; director of photography, Eugene Boyko; film editor, Rex Tasker; music composed by Eldon Rathburn; editor of sound effects, Victor Merrill; rerecording, Ron Alexander, Roger Lamoureux; French production, Marcel Martin, Edouard Davidovici; author of French text, Gilles Henault; narration, Douglas Rain, Christian Delmas.

3. Battle scenes: Normandy invasion, Dieppe, Sicily, Ortona, Dutch canals, Ypres, various unidentifiable photographs of world war I action on the western front.

Areas revisited: Normandy beaches, Normandy villages inland including Beny-sur-Mer and Bayeux, Hong Kong, Dieppe, Londonderry, Boxstead airfield, Reichswald forest, Runnymede, Agira, Cassino, Ortona, Bergen-op-Zoom, Groesbeek, Ypres, Mons, Arras, Armentieres, Poperinghe, various cemeteries in western front area including Beaumont Hamel, Quesnel, Bourlon wood, Dury, Sanctuary wood, Passchendaele, Courcelette, St. Julien, Vimy Ridge. Also German cemetery at Langemarck.

4. "Fields of Sacrifice" and "Champs d'honneur" are being distributed theatrically through Columbia Pictures of Canada Limited, and are available to every theatre in Canada. Non-theatrical release will commence July 1, 1964. The films will then be available to any individual or group across Canada through national film board sources, film councils, public libraries, etc.

Questions

*BICULTURALISM COMMISSION—VETERAN MEMBERSHIP

Question No. 1,495—**Mr. Herridge:**

Has the government received any complaints from any organization or persons with respect to its failure to appoint any veterans with overseas service to the membership of the royal commission on biculturalism and, if so, what were the nature of these representations, and the government's replies?

Mr. Davis: Mr. Speaker, the answer to this question is no.

*SPRUCEDALE, ONT., POSTMASTER

Question No. 1,511—**Mr. Aiken:**

1. Has the postmaster been appointed at Sprucedale, Ontario, and, if so, what is his name and address?

2. What other persons applied for this position?

3. From whom were recommendations for this appointment solicited by the Postmaster General?

4. Which of the applicants had service in the armed forces?

Mr. McWilliam: 1. Yes, Mr. William H. Kirkpatrick, Sprucedale, Ontario.

2. Miss Rose Jennie Plupek, Mr. William Ewart Pearce, Mr. Robert Soper, Mr. Henry Leon Deschamps.

3. District director of postal service, North Bay, and Gerald M. Taylor.

4. Henry Leon Deschamps served overseas but he is a resident of Jarlsberg, therefore not eligible for appointment. Robert Soper served in Canada only, therefore not entitled to the veterans' preference.

CIVIL SERVICE COMPETITION 63-588

Question No. 1,557—**Mr. Prittie:**

1. Who is the winner of civil service competition No. 63-588?

2. Has he taken on any other tasks as yet?

3. What has been his experience in the field of public health?

4. Did he graduate or take any training at a public health course?

5. What is his age, place of birth, school, and year of graduation from professional school?

6. Is he a veteran?

7. How many other persons applied in this competition and qualified for it?

8. How many of the qualified applicants were veterans?

Mr. Pickersgill: I have been given the following answers by the civil service commission:

1. The first ranking candidate in civil service competition 63-588 is Dr. Ralph Aubrey Connor.

2. Dr. Ralph Aubrey Connor has been appointed to, and is performing the duties of the position of chief of dental health division, Department of National Health and Welfare.

3. The experience of Dr. R. A. Connor in the field of public health, and as related to the duties of the position which he now occupies include:

Questions

(a) December 1946 to July 1948, dental officer with the department of health, Guelph, Ontario, (b) June 1949 to August 1956, director dental public health, Lincoln county, (c) November 1956 to October 1958, regional director, Lincoln, Wentworth and Brant county health units, (d) November 1958 to October 1963, director, dental services, province of Manitoba, (e) Dr. Connor has been a part time lecturer in public health dentistry at the University of Manitoba.

4. Dr. R. A. Connor received his diploma in dental public health from the University of Toronto in 1949.

5. Dr. Connor is 56 years old, was born in Thornbury, Ontario; attended the University of Toronto and graduated with doctor of dental surgery in 1933, doctor in dental public health in 1949.

6. Dr. Connor is entitled to the veterans preference under the terms of the Civil Service Act.

7. Of the 28 persons who applied in this competition only one other person qualified in it.

8. Only one of the qualified applicants is entitled to the veterans preference provided for in the Civil Service Act.

AIR MAIL SERVICE, QUEEN CHARLOTTE ISLANDS

Question No. 1,560—**Mr. Howard:**

With respect to the 14 complaints received regarding mail that was marked or posted for "Air Mail" to the Queen Charlotte islands but which reached its destination by boat mail what was, in each case (a) the name and address of the complainant (b) the date the complaint was made (c) the reason for the error, and (d) the remedial action taken?

Mr. Denis: Detailed information regarding complaints received prior to November 1, 1962, is not available. Files on cases where investigation is completed are kept for a period of one year only.

It was initially reported that 14 complaints were received. Subsequent inquiries established that 12 complaints were submitted. Six complaints have been received since November 1, 1962.

1. (a) Mrs. E. J. Arnold, 2066 West 3rd Avenue, Vancouver 9, B.C.; (b) November 6, 1962; (c) uncertainty as to whether a flight would operate, therefore the item was despatched by steamer; (d) no action taken.

2. (a) Mrs. G. Cotter, Department of Transport, Sandspit, B.C.; (b) November 29, 1962; (c) human error; (d) personnel instructed to exercise greater care.

3. (a) M. Lacusta, Box 37, Queen Charlotte, B.C.; (b) January 21, 1963; (c) human error; (d) personnel instructed to exercise greater care.

[Mr. Pickersgill.]

4. (a) Masset Auto Marine, Masset, B.C.; (b) March 1, 1963; (c) human error; (d) personnel instructed to exercise greater care.

5. (a) MacMillan, Bloedel and Powell River Limited, Sandspit, B.C.; (b) September 13, 1963; (c) human error; (d) personnel instructed to exercise greater care.

6. (a) Mrs. D. O. Johnson, Juskatla via Sandspit, B.C.; (b) October 17, 1963; (c) investigation not yet completed; (d) investigation not yet completed.

*PUBLICITY EXPENDITURES OF LIFE INSURANCE COMPANIES

Question No. 1,588—**Mr. Knowles:**

1. Are there any regulations concerning expenditures by life insurance companies on advertising or on promotional campaigns of various kinds and, if so, what are such regulations?

2. Are the expenditures by life insurance companies on campaigns in opposition to the proposed Canada pension plan considered legitimate advertising expenditures and, if so, by what authority?

3. Are the expenditures by life insurance companies on campaigns in opposition to the proposed Canada pension plan allowed as deductible for corporation income tax purposes and, if so, what is the estimated amount of the cost to the public treasury during the current year?

Mr. Benson: 1. No.

2. There is no legislation in Canada controlling the amount insurance companies may spend on advertising.

3. Expenses of a life insurance company are charged to the insurance funds. Taxable income is determined mainly by amounts transferred from these funds to the shareholders fund, the amounts so transferred being at the discretion of the directors within the limitations prescribed by the insurance acts, and subject to the maintenance of reserves and surplus margins necessary for the protection of policyholders. It is impossible to determine whether the amounts that may be so transferred would be affected by expenses that may have been incurred of the type described. In this connection I refer the hon. member to section 30 of the Income Tax Act.

*IMMIGRATION OFFICES, FRANCE AND ENGLAND

Question No. 1,614—**Mr. Pigeon:**

1. Does the government maintain immigration offices in France and, if so (a) what is the annual cost of these offices (b) how many persons are attached to these offices (c) what is the total of their salaries?

2. (a) How many immigration offices does the government maintain in England (b) what is the annual cost of these offices (c) how many persons are attached to these offices (d) what is the total of their salaries?

[*Translation*]

Mr. Munro: 1. The Department of Citizenship and Immigration maintains one office in France and this is located in Paris. There are

plans at the moment for the opening of two new immigration offices at Lyon and Bordeaux, contingent upon satisfactory arrangements being worked out with the appropriate authorities; (a) $182,079 for fiscal year 1962-63; (b) 27; (c) $100,512 per annum.

2. (a) The government maintains four offices in England and these are located in Bristol, Leeds, Liverpool and London; (b) $480,731 for fiscal year 1962-63; (c) 77; (d) $286,274 per annum.

[*Text*]

RECOMMENDATIONS OF COMMISSION ON PATENTS, ETC.

Question No. 1,645—**Mr. Brewin:**

1. Have any of the recommendations of the report on industrial designs of the royal commission on patents, copyright, trademarks and industrial designs, dated the 1st day of June, 1958, been carried out and, if so, which recommendations?

2. Does the government intend to implement any of the recommendations of the said report which have not yet been implemented?

3. Does the government propose to bring in legislation amending or replacing the Industrial Design and Union Label Act, c.150, R.S.C. 1952, which is substantially the same as that passed in 1861?

Mr. Pickersgill: 1. No.

2 and 3. This is a question of government policy which it is not usual to announce in response to questions on the order paper.

*CHANGES IN SECURITY PROCEDURES

Question No. 1,656—**Mr. Knowles:**

1. Do the changes in procedures with respect to security, announced by the Prime Minister on October 25, 1963, apply to Canadians generally as well as to government employees and service personnel and, if so, in what way do the new procedures apply to Canadians generally?

2. Have any corresponding changes been made with respect to security investigations on university campuses and, if so (a) what are the details of such changes (b) what courses are open to students or professors who are investigated (c) have university organizations (student or teacher) been advised of any new procedures applicable to university campuses?

Mr. Davis: Mr. Speaker, it will take several minutes to read this answer into the record. I would therefore ask permission of the house to table the answer and have it printed in *Hansard* today.

Mr. Speaker: Does the house give permission?

Some hon. Members: Agreed.

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

1. and 2(a). The procedures announced on October 25 were designed to apply to employees of the Canadian government. They may also be intended, with modification if necessary, to apply to persons involved in federal government contracts which have a security aspect. They are designed solely for a situation in which a person, by reason of employment or contract, may have access to classified information. They cannot therefore, have application to Canadians generally, whether within a university or not, since the problem of access to classified information does not arise.

2. (b) Students or professors are not investigated. If they are applicants for employment in the public service in positions in which access to classified information is involved, security screening is the same as for any other applicant. A student or a professor could conceivably become involved in an investigation into a case of possible subversion or espionage. The ordinary processes and provisions of the law would apply if prosecution developed in any such case.

2. (c) The Prime Minister, the Minister of Justice and the commissioner of the R.C.M.P., have met representatives of the C.A.U.T. and the N.F.C.U.S. in recent months to discuss the problem of ensuring that the responsibilities of the R.C.M.P. with regard to security do not conflict with freedom of thought and discussion on university campuses. Both the government and the R.C.M.P. as the responsible agency are fully alive to the importance of ensuring that no such conflict arises and renewed care is being taken to provide against it. Both the C.A.U.T. and N.F.C.U.S. have been advised that there is not now and will not be any general surveillance of university campuses.

POST OFFICE DEPARTMENT EMPLOYEES, COMPTON-FRONTENAC CONSTITUENCY

Question No. 1,677—**Mr. Latulippe:**

1. What is the name and salary of each employee of the Post Office Department in each of the towns and villages located within the constituency of Compton-Frontenac?

2. How many employees of the Post Office Department in Compton-Frontenac have been dismissed during the past two years and what was the reason in each case?

3. How many promotions, transfers and salary increases were granted to employees of the Post Office Department in Compton-Frontenac during the past two years?

4. How many persons are under contract for rural mail delivery in Compton-Frontenac and what is the name, salary and length of contract of each?

5. During the past two years, what changes were made with regard to the people delivering the mail?

6. What expenditures did the Post Office Department incur in Compton-Frontenac during each of the past five years?

7. How many requests for route changes in the constituency has the department received during the past three years and (a) what is the location of each (b) what were the reasons given (c) how many requests were granted (d) how many were refused (e) by how much did the expenses increase in each case?

[*Translation*]

Mr. Denis: 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*]

RADIO AND TELEVISION SERVICE, WABUSH, NFLD.

Question No. 1,694—**Mr. Fisher:**

1. What Canadian radio or television broadcasting is available to residents of Wabush, Newfoundland?

2. Has either the Department of Transport or the B.B.G. entertained any applications for licenses from individuals or organizations seeking to establish such facilities in Wabush and, if so, what are the details, and what has followed from such applications?

Mr. McIlraith: 1. Wabush, Newfoundland, is outside of what is considered to be the normal service area of any Canadian sound or television broadcasting station.

2. See reply to part 1 of question No. 1,695 which was answered on November 27 (page 5154 *Hansard*). The application is now being dealt with by the Department of Transport for reference to the board of broadcast governors.

C.B.C. PROGRAMS RESPECTING "RENEGADE IN POWER"

Question No. 1,713—**Mr. Gundlock:**

1. How many interviews, reviews and panel shows have the Canadian Broadcasting Corporation organized in which the program material relates to Peter Newman's book "Renegade in Power", on (a) television stations (b) television networks (c) radio stations (d) radio networks?

2. With respect to each category of program, how much in fees has been paid or is owing to (a) Peter Newman (b) other participants?

Mr. Pickersgill: I am informed by the Canadian Broadcasting Corporation as follows:

1. (a) five; (b) three; (c) five; (d) one, as detailed below:

City of origin	T.V. station	T.V. Network	Radio station	Radio Network
Montreal	–	1	1	–
Ottawa	2	2	1	–
Toronto	–	–	2	1
Winnipeg	1	–	1	–
Vancouver	2	–	–	–
	5	3	5	1

2. It has not been customary to require the corporation to give information as it could affect the corporation in the competitive business in which it is engaged.

HOUSING CONDITIONS OF ESKIMOS

Question No. 1,714—**Mr. Orlikow:**

1. Have surveys been made of housing conditions available to the Eskimos of Canada's north and, if so, what percentage of the Eskimos are living in houses considered to be substandard and detrimental to the health of the occupants?

[Mr. Latulippe.]

2. Has any federal government department made plans for an aggressive program of building new housing accommodation for Eskimos designed to check the serious health hazards caused by inadequate housing?

Mr. Laing: 1. Yes. As of March 31, 1963, it is estimated that about 2,000 Eskimo families were in need of better housing. The total Eskimo population is estimated at 12,000.

2. Yes, (a) through departmental initiative, since 1959, some 400 houses have been sold to Eskimos, and some 300 provided to other Eskimo families who are unable to pay for such houses; (b) a continuing program to improve designs and techniques of construction has cut costs and provided Eskimos with better houses for less money; (c) water and sewer services have been improved as part of a continuing program to provide adequate sanitary facilities.

HOSPITAL CONSTRUCTION GRANTS—REPRESENTATIONS OF SCARBOROUGH TOWNSHIP

Question No. 1,718—**Mr. Scott:**

1. Did the Prime Minister receive a letter, dated November 2, 1963, from the clerk of the township of Scarborough requesting the Prime Minister's help in arranging an appointment with the Minister of National Health and Welfare to discuss the matter of hospital construction grants?

2. Has the said meeting been arranged and, if so, when will it take place?

3. If the meeting has already taken place, what was the nature of the government's response to the representations of the representatives of the township of Scarborough?

Mr. Pearson: 1. Yes.

2. Yes, December 18, 1963.

3. Not applicable.

EXPORT CREDIT INSURANCE

Question No. 1,719—**Mr. Scott:**

1. Is the government presently reviewing its export finance and insurance machinery and, if so, along what lines is the review being conducted?

2. Have there been requests that the provisions of the export credits insurance corporation be applied to transactions under $2,000,000 and, if so (a) how many such requests have there been (b) what products were covered (c) who made the requests, and (d) what was the nature of the government's replies?

3. What amount of export insurance was handled by private insurance companies in 1960, 1961, 1962 and 1963 to date, and what ratio does this bear to export insurance handled by the export credits insurance corporation?

4. Has the government given consideration to providing export credit insurance to exports to the U.S.A. and, if so, what was the nature of such considerations?

Answer: 1. Export Credits Insurance Corporation continually reviews its export finance and insurance machinery. This is also reviewed by interdepartmental committees and ministers are kept informed of any changes which might be required.

Questions

2. (i) Insurance. (a) Requests are received daily and policies issued daily. See list below of policies in force at September 30, 1962, classified by annual export volume.

Export volume grouping	No. of Policies current	Amount
Up to $ 25,000	90	$ 1,472,369
$ 25,001 to $ 100,000	198	$ 12,001,408
$100,001 to $ 250,000	61	$ 10,665,919
$250,001 to $1,000,000	49	$ 26,365,442
Over to $1,000,000	32	$103,928,334

(b) See list below for products covered. Agricultural, vegetable products, animal and animal products, fibres, textiles and products, wood, wood products and paper, iron and products, non-ferrous metals and products, non-metallic minerals and products, chemicals and allied products, miscellaneous commodities; (c) This is confidential between E.C.I.C. and the exporter; (d) Answered by (a).

(ii) Financing. (a) approximately 12 requests for financing of amounts under $2 million over the past three years; (b) the products involved were communications equipment, transmission line equipment, small boats and vessels, pulp and paper machinery, road maintenance machinery, railway track maintenance equipment; (c) confidential information; (d) requests turned down because applications did not meet criteria for financing.

3. Export Credits Insurance Corporation insures both the political and credit risks on sales to all countries. Private insurance companies insure only the credit risk on sales in Canada and the U.S. and not overseas. The volume of such sales is not available.

4. The corporation has insured sales to the U.S. where insurance was not available from private insurance companies and the buyers met the normal criteria of credit worthiness.

MERCY FLIGHTS FROM PRINCE EDWARD ISLAND

Question No. 1,723—**Mr. Macquarrie:**

1. Has the R.C.A.F. discontinued mercy flights for seriously ill Prince Edward Island patients requiring hospitalization on the mainland?
2. If so, what reasons prompted such a decision?
3. Did the Department of National Defence approach a private air line company to take over such a service?
4. Is such a company now operating such a service?
5. Is it based in Prince Edward Island?

Answer: 1. No. As in the past, R.C.A.F. mercy flights have been authorized in accordance with normal policy, namely that flights necessary to save life are carried out when no suitable alternate means of transportation is readily available.

2. Not applicable.

3. No.

4. Atlantic Central Airlines has one aircraft suitable for mercy flights and this company so informed the provinces in March 1963. The provinces, in so far as is known, although aware of R.C.A.F. policy, did not use this air line but continued to refer all cases to R.C.A.F. Since October 1963 when maritime air command headquarters became aware of this air lines' capability, provincial authorities have been requested to investigate use of air lines aircraft prior to requesting R.C.A.F. airlift.

5. No. The air line is based at Moncton, N.B. This location is closer to P.E.I. than Greenwood, where R.C.A.F. aircraft, which are used on mercy flights, are based.

COMMON CARRIER PIPE LINES

Question No. 1,727—**Mr. Scott:**

1. Is the government conducting any research into the possibilities of developing common-carrier pipe lines which would provide an economic means of moving products over great distances and, if so (a) what is the nature and extent of such research (b) how much is being spent upon it, and (c) what is the nature and extent of the studies being made?
2. To what extent and, in what way, are such projects co-ordinated with provincial research programs in this field?

Answer: 1. No.

2. Not applicable.

FRASERVIEW HOUSING PROJECT, B.C.

Question No. 1,728—**Mr. Scott:**

1. Has the government received representations from the Fraserview (veterans) home owners and tenants association of British Columbia concerning their dispute with Central Mortgage and Housing Corporation with reference to rental increases and terms upon which they are entitled to buy their home?
2. What reply has been given to the association?
3. Have the rents in the project been raised, by what amount, and for what reason?
4. What are the terms of sale being offered to tenants of these houses?
5. What was the original cost of the project, how was it financed, and at what rate of interest?
6. What is the total amount of rents received since the project was commenced?
7. Have the rents covered depreciation and other costs, and what is the present undepreciated figure on the corporation's books?

Answer: 1. Yes.

2. The association has been advised that Central Mortgage and Housing Corporation has been requested to retain the services of an independent accredited appraiser to appraise each type of house in the Fraserview project in order to ensure that the sale prices and rental rates established by the corporation do not exceed their fair market values.

3. Proposed rental adjustments have been deferred pending the report of the appraiser referred to in 2, above.

Questions

4. The terms of sale are 5 per cent down payment with the corporation taking back a mortgage amortized over 25 years at the current N.H.A. interest rate.

5. The original cost of the project was $11,340,452. It was financed under section 37 of the National Housing Act, at a borrowing rate of 2 per cent per annum amortized over a 40 year period.

6. It is not possible to provide the information requested in this part because the accounting has been on an over-all branch basis and not on a project basis, nor is it possible to recreate the accounting on a project basis because records have been destroyed from time to time in accordance with the policy relating to such matters.

7. The present rents are insufficient to cover depreciation and other costs. As at December 31, 1962, the undepreciated capital cost of the unsold houses was $7,349,320.

MAIL CONTRACT, SALT SPRINGS, N.S.

Question No. 1,741—**Mr. MacEwan:**

Have tenders been called for a mail contract for R.R. 3, Salt Springs, Pictou county, N.S., and, if so, (a) what were the names of the various tenderers and the amounts of their tenders; (b) to whom will the contract be awarded?

Mr. Denis: Yes. (a) George Martin MacDonald, $2,100; C. E. Wilson, $2,180; John A. MacLeod, $2,236; Austin N. Roblee, $2,340. (b) Decision pending.

PARCEL POST CONTRACTORS, MARITIME PROVINCES

Question No. 1,743—**Mr. Coates:**

1. What amounts do parcel post contractors receive per hour or per item in Truro, New Glasgow, Sydney, Glace Bay, Kentville, Digby, Amherst, Fredericton, Moncton, Bathurst, Charlottetown and Summerside?

2. How many deliveries per hour were made by the contractor, in each area, in the year 1962?

3. What was the gross earnings of each contractor, in each area, for the year 1962?

4. Are the contracts in all areas awarded on a four year basis?

Mr. Denis:

	No. 1	No. 2	No. 3	No. 4
Truro	$ 2.00 per hour	21	$ 9,776.00	Yes
New Glasgow	2.40 per hour	26	5,301.39	"
Sydney	.15 per item	28	15,144.85	"
Glace Bay	2.00 per hour	28	5,700.00	"
Kentville	.13 per item	20	6,127.67	"
*Digby	—	—	—	—
Amherst	2.00 per hour	16	3,336.50	Yes
Fredericton	.10 per item	25	18,352.32	"
Moncton	.09½ per item	29	18,972.28	"
Bathurst	.12 per item	21	6,052.56	"
Charlottetown	.10½ per item	**	9,199.36	"
Summerside	.10 per item	28	3,198.40	"

*There is no parcel post delivery service in Digby.

**Under inquiry.

CIVIL SERVICE EXAMINATIONS IN BOTH LANGUAGES

Question No. 1,746—**Mr. Boutin:**

1. Are the questions asked applicants in examinations held by the civil service commission, in both languages?

2. Can the candidate write his examination in whatever language he wishes and, if not, why is one language compulsory rather than the other?

Mr. Pickersgill: I have been given the following answer by the civil service commission:

1. Yes.

2. Except for language examinations, candidates may write any examination in either English or French.

[Mr. Scott.]

MAIL CONTRACT, ST. ZACHARIE DE DORCHESTER, QUE.

Question No. 1,747—**Mr. Boutin:**

With reference to the contract for the transportation of mail on rural route No. 3, from St. Zacharie de Dorchester, awarded to Mr. Wilfrid Boulanger (a) what was the amount of the previous contract (b) what is the amount of the present contract (c) were other tenders submitted and what was the amount of each such other tender?

[*Translation*]

Mr. Denis: (a) $2,500; (b) $2,500; (c) No, Mr. Boulanger's previous contract, which expired on September 30, 1963, was renewed for a further term of four years from October 1, 1963. Therefore, tenders were not invited.

[*Text*]

ROYAL COMMISSION ON AGRICULTURE

Question No. 1,749—**Mr. Langlois:**

Does the government intend to create a royal commission on agriculture?

Mr. Pearson: Since this is a question of government policy, any announcement would be made in the usual manner.

MAIL CONTRACT, LEVIS-RIVIERE DU LOUP, QUE.

Question No. 1,750—**Mr. Caouette:**

Has a contract been awarded recently for the transportation of mail between Levis and Riviere du Loup and, if so (a) when were tenders let (b) what was the closing date for these tenders (c) when were the tenders opened (d) how many tenders were received (e) what was the amount of each tender (f) to whom was the contract awarded and what was the amount of this tender?

[*Translation*]

Mr. Denis: No, but tenders have been received.

(a) October 21, 1963.
(b) November 15, 1963.
(c) November 15, 1963.
(d) Fifteen.
(e) Adeodat Cliche, $23,988; Robert Blouin, $25,223; Georges Normand, $27,986; Paul Aime Pouliot, $30,952; Dumont Express Ltee (R. Vachon), $33,750; Jean-Marc Couture, $34,446; Rolland Langlais, $36,000; Georges Normand, $36,600; Jean-Baptiste Carrier, $36,960; Federal Delivery Inc. (Roland Guertin), $37,440; Transport d'Anjou Inc. (Claude D'Anjou), $41,143; Joseph Albert, $41,994; Joseph Beaulieu, $49,960; Jean-Paul Corriveau, $51,000; Fournier Express (Fernand Fournier), $57,500.
(f) Decision pending.

[*Text*]

PRODUCTION OF GOODS AND SERVICES, ETC.

Question No. 1,751—**Mr. Caouette:**

During each of the past five years, what was the total and value of (a) consumer goods and services produced in Canada (b) capital utilized (c) gross capital formation (d) imports of goods and services (e) goods and services consumed (f) capital depreciation (g) exports of goods and services (h) surplus or deficits for each of the above items?

[*Translation*]

Mr. Pepin:

	1958	1959	1960	1961	1962
	(millions of dollars)				
(a) Consumer goods and services produced in Canada	Not available				
(b) Capital utilized	Not available				
(c) Gross capital formation:					
Formation of companies' fixed capital	6,975	6,894	6,692	6,635	6,954
Formation of governments' fixed capital	1,389	1,523	1,570	1,537	1,784
Value of material stock variation	—322	357	361	—144	565
Total	8,042	8,774	8,623	8,028	9,303
(d) Imports of goods and services	7,423	8,131	8,172	8,542	9,033
(e) Consumption of goods and services	Not available—see below				
(f) Capital depreciation, i.e. provision for capital consumption and various re-evaluation.	3,899	4,204	4,459	4,539	4,755
(g) Exports of goods and services	6,340	6,683	7,008	7,631	8,224
(h) Surplus or deficits for each of the above items	Not available except for exports (g) less imports (d)				
Gross national product:	32,894	34,915	36,254	37,421	40,401

Note: (1) An estimate of item (e) can be obtained by subtracting item (c) from gross national product; to get an idea of consumption in Canada, one must also subtract item (g) from gross national product. (2) No figure is available concerning the production of consumer goods and services in Canada. Consumer spending on goods and services is as follows:

	21,245	22,591	23,512	24,486	25,749

[*Text*]

SALES ABROAD BY CHEMICAL COMPANIES

Question No. 1,757—**Mr. Scott:**

1. Has the government's attention been drawn to the loss of export business suffered by Canadian subsidiaries of United States chemical companies as alleged in recent newspaper reports on the grounds that the Canadian subsidiaries are not permitted to sell products abroad?

2. If so, has the government any knowledge of how widespread are such restrictions and what action is the government taking to deal with the matter?

Answer: 1. The reports referred to have been drawn to attention.

2. The Canadian chemical industry exports material worth approximately $250 million per year or an average of 16 per cent of production. More than half of this total is attributed to subsidiaries of foreign firms.

The government encourages subsidiaries of foreign companies to export from Canada. Many of these subsidiaries participate in the department's trade fairs and trade missions programs. Market studies have been conducted on their behalf and trade opportunities have been discovered for them. Their response to this assistance has resulted in expansion of exports.

ESKIMO CO-OPERATIVES

Question No. 1,758—**Mr. Orlikow:**

1. How many people are there working in the Department of Northern Affairs and National Resources in the promotion of co-operatives among Eskimos and what areas do they cover?

2. How many Eskimo co-operatives have been organized and what is the location of each?

3. How much business do these co-operatives do according to the reports received by the department?

4. What plans do the department have for increasing the staff working on the promotion of Eskimo co-operatives?

Mr. Laing: 1. There are at present four people engaged in the promotion of co-operatives among Eskimos. Two additional positions are vacant at this time, one of which will be filled in early December, 1963; the other as soon as a suitable candidate can be found. The co-operative development offices cover the Northwest Territories and Arctic Quebec.

2. The following 18 Eskimo co-operative organizations have been established with the help of the Department of Northern Affairs and National Resources:

West Baffin Eskimo Co-operative Ltd., Cape Dorset, N.W.T.; George River Eskimo Fishermen's Co-operative, George River, P.Q.; Kikitaoyak Eskimo Co-operative Ltd., Port Burwell, N.W.T.; Coppermine Eskimo Co-operative Ltd., Coppermine, N.W.T.; Resolute Bay Eskimo Co-operative Ltd., Resolute Bay, N.W.T.; Grise Fiord Eskimo Co-operative Ltd., Grise Fiord, N.W.T.; Holman Eskimo Co-operative Ltd., Holman, N.W.T.; Fort Chimo Co-operative Association, Fort Chimo, Quebec; Ekaloktotiak Eskimo Co-operative Ltd., Cambridge Bay, N.W.T.; Great Whale River Co-operative Association, Great Whale River, P.Q.; Ikaluit Eskimo Co-operative Ltd., Frobisher Bay, N.W.T.; Povungnituk Co-operative Society, Povungnituk, Quebec; Sisi Co-operative Ltd., Frobisher Bay, N.W.T.; Issatik Eskimo Co-operative Ltd., Whale Cove, N.W.T.; Innuit Co-operative Ltd., Inuvik, N.W.T.; Aklavik Fur Garment Co-operative Ltd., Aklavik, N.W.T.; Aklavik Credit Union, Study Group, Aklavik, N.W.T.; Igloolik Co-operative Ltd., Igloolik, N.W.T.

3. Because of the different closing dates of the fiscal years for the various co-operatives, it is not posible to give definite turnover figures for any given year. It is estimated that during the fiscal year 1961-62, sales of nine co-operatives in existence at that time amounted to $360,000.

Business turnover for 1962-63 is estimated at $750,000. More definite figures are not available.

4. The department proposes to seek authority to employ one additional co-operative development officer in 1964-65.

ESKIMO LOAN FUND

Question No. 1,760—**Mr. Orlikow:**

1. How much money is there in the Eskimo loan fund?

2. How much money has been loaned to Eskimo communities from this fund to help them establish co-operatives?

3. How many loans have been made and for what periods of time?

4. At what rates were these loans made?

5. How much of the money loaned has been repaid?

Mr. Laing: 1. $475,000.

2. $274,000.

3. 122. A maximum period of five years for individuals and ten years for co-operatives.

4. Five per cent per annum.

5. $60,253.

INFANT MORTALITY RATE

Question No. 1,761—**Mr. Orlikow:**

1. What is the infant mortality rate (the number of deaths among each thousand babies born alive) in Canada?

2. What is the infant mortality rate in each province or territory in Canada?

3. How does the infant mortality rate in Canada compare with the infant mortality rates of the other countries which belong to the World Health Organization or the United Nations?

Answer: 1. and 2.

Infant death rates, Canada and provinces, 1962

(Rate per 1,000 live births)

Canada	28
Newfoundland	40
P.E.I.	31
N.S.	32
N.B.	30
Quebec	32
Ontario	23
Manitoba	26
Saskatchewan	26
Alberta	25
British Columbia	23
Yukon	49
Northwest Territories	120

3.

Infant death rates for member countries of the World Health Organization for which data are available, 1962

	Rate per 1,000 live births
Australia	20
Austria	33
Belgium	28
Canada	28
Ceylon	57 (1960)
Chile	116 (1961)
Denmark	20
England and Wales	21
Finland	19
France	26
German Federal Republic	29
India**	87 (1960)
Ireland	29
Italy	41
Japan	27
Mexico	70
Netherlands	14
New Zealand	20
Northern Ireland	27
Norway	18 (1961)
Peru	97 (1961)
Portugal	79
Scotland	27
Spain	42*
Sweden	15
Switzerland	21 (1961)
South Africa (White)	28
U.S.S.R.	32
United States	25
Venezuela	51 (1961)
Yugoslavia	82

* Excludes children born alive but dead before registration of their birth.

** Registration only.

Source: United Nations publications and national reports.

Questions

CANADIAN LIFE EXPECTANCY

Question No. 1,762—**Mr. Orlikow:**

1. What is the life expectancy at birth in Canada for males and females?

2. What is the life expectancy at birth in each province or territory?

3. How does the life expectancy in Canada compare with life expectancy of other countries which belong to the World Health Organization or the United Nations?

Answer: 1 and 2.

Expectation of life at birth for Canada and regions

	1955-57		1960-62*	
	Males	Females	Males	Females
	years			
Canada	67.61	72.92	68.35	74.17
Atlantic provinces	67.91	72.89		
Quebec	66.13	71.02		
Ontario	67.80	73.57		
Prairie provinces	69.26	74.18		
British Columbia	68.14	73.91		

*Not yet available for provinces.

3. Life expectancy at birth in countries for which data are available:

	Year	Male	Female
		years	
Australia	1953-55	67.14	72.75
Austria	1960	65.00	70.98
Belgium	1946-49	62.04	67.26
Canada	1960-62	68.35	74.17
Ceylon	1954	60.3	59.4
Chile	1952	49.84	53.89
Denmark	1956-60	70.38	73.76
England and Wales	1961	68.0	73.8
Finland	1951-55	63.4	69.8
France	1961	67.6	74.5
German Federal Republic	1959-60	66.69	71.94
India*	1957-58	45.23	46.57
Ireland	1950-52	64.53	67.08
Italy	1954-57	65.75	70.02
Japan	1960	65.37	70.26
Mexico	1940	37.92	39.79
Netherlands	1956-60	71.4	74.8
New Zealand	1955-57	68.20	73.00
Northern Ireland	1959-61	67.38	72.11
Norway	1951-55	71.11	74.70
Portugal	1957-58	59.8	65.0
Scotland	1961	66.13	71.78
Spain	1950	58.76	63.50
Sweden	1960	71.24	74.92
Switzerland	1948-53	66.36	70.85
South Africa (White)	1950-52	64.57	70.08
U.S.S.R.	1958-59	64.42	71.68

Questions

	Year	Male	Female
		years	
United States	1961	67.0	73.6
Yugoslavia	1958-59	61.61	64.44

*Data for rural India, compiled by Indian Statistical Institute.

Source: United Nations Demographic Year Book 1962.

FEDERAL TAXES ON MINING PROPERTIES

Question No. 1,765—**Mr. Latulippe:**

1. Does the federal government levy taxes on mining properties and, if so, what is the nature and basis of such taxes?
2. Does the government obtain any other revenue from mining properties and, if so, what was the total of such revenue over the last five years for (a) Canada (b) province of Quebec (c) constituency of Compton-Frontenac?
3. By what procedure does a mining operation register with the federal government?

Mr. Benidickson: 1. The federal government levies production royalties in the Northwest Territories and the Yukon Territory in an amount ranging from 3 per cent to 12 per cent depending on the value of production and the type of mineral. It also levies an income tax on mining operations.

2. The government obtains revenue in the form of rentals on claims or leases in the Northwest Territories and the Yukon Territory. These rentals vary from 25 cents an acre in the N.W.T. to $200 per claim in the Yukon Territory.

3. Mining operations in the Northwest Territories are registered with the federal government in accordance with the provisions of the Canada mining regulations, Territorial Lands Act and Public Lands Grants Act. In the Yukon Territory the governing legislation is the Yukon Quartz Mining Act and the Yukon Placer Mining Act.

MINING PROPERTIES IN COMPTON-FRONTENAC CONSTITUENCY

Question No. 1,766—**Mr. Latulippe:**

Has the government a list of all mining properties located in the constituency of Compton-Frontenac and, if so (a) what is the location of each (b) what is the date of opening of each?

Mr. Benidickson: The record of all mining companies operating in Quebec is maintained by the Quebec department of natural resources.

EARNINGS OF MANUFACTURING CORPORATIONS

Question No. 1,772—**Mr. Latulippe:**

1. What are the earnings of manufacturing corporations for the last three years, after taxes, at annual rate, seasonally adjusted?
2. What are the earnings on each dollar of sales, or profits, after taxes, per dollar of sales, seasonally adjusted?

[Mr. Orlikow.]

Answer: 1. The earnings of manufacturing corporations for the last three years, after taxes, at annual rate, seasonally adjusted, are not available.

However, annual profits after taxes of manufacturing corporations for the last three years are estimated as follows: 1960, $768 million; 1961, $776 million; 1962, $930 million.

2. The earnings on each dollar of sales, or profits, after taxes, per dollar of sales, seasonally adjusted, are not available.

However, annual profits after taxes per dollar of revenue, (i.e. sales plus investment income), of manufacturing corporations for the last three years are estimated as follows: 1960, 3.1 cents; 1961, 3.0 cents; 1962, 3.3 cents.

DEPRECIATION ON SEVEN PASSENGER AUTOMOBILES

Question No. 1,775—**Mr. Irvine:**

Is the government giving consideration to permitting depreciation allowance on seven passenger automobiles, all of which would be over the $5,000 class, in order to assist funeral directing firms?

Mr. Benson: This is a matter of government policy. If the government were to consider a change in the regulations concerning passenger automobiles it would be made known at the appropriate time.

NUMBER OF EMPLOYEES IN GOVERNMENT, MANUFACTURING, ETC.

Question No. 1,791—**Mr. Latulippe:**

What was for the past year, the increase or the decrease in the number of workers in relation to the total number of employees in (a) the government (b) manufacturing (c) insurance (d) finance (e) the building trades (f) transportation (g) mining (h) agriculture?

[*Translation*]

Mr. Pepin: The increase or the decrease from 1962 to 1963 in the average quarterly number (July-September) of employees in the following trades has been: (a) government, +1.8%; (b) manufacturing, +2.7%; (c) and (d) finance, insurance and real estate, −0.4%; (e) building trades, +4.4%; (f) transportation, communications and storage, +0.2% (g) mining, −2.4%; (h) agriculture, −1.1%.

[*Text*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

ANNUAL EXPENDITURES, ESKASONI INDIAN RESERVE

Question No. 1,522—**Mr. Muir (Cape Breton North and Victoria):**

What annual expenditures have been made at the Eskasoni Indian reservation for each of the years 1953-1963 inclusive, and for what purposes?

Return tabled.

YUKON TERRITORY—POSTMASTERS AND MAIL CONTRACTS

Question No. 1,572—**Mr. Nielsen:**

1. With respect to the Post Office Department in the Yukon, since April 8, 1963, who is the postmaster or postmistress at each of the following postal stations in the Yukon: Carmacks, Old Crow, Upper Liard, Haines Junction, Swift River, McCabe Creek, Pelly crossing, Beaver Creek, Destruction Bay, Glacier Creek, Dawson City, Whitehorse R.C.A.F. Station, Whitehorse, Brooks Brook, Ross River, Calumet, Granville, Keno, Elsa, Mayo, Watson Lake, Carcross?

2. Has there been a change of postmaster or postmistress at any of the foregoing postal stations since April 8, 1963, and, if so (a) for what reason (b) what is the name of each postmaster or postmistress in the case of each such change?

3. What contracts for the carriage of mail by air, ground or any other means of transportation are held by any person, firm or corporation within or without the Yukon for mails carried into, out of, or within the Yukon?

4. In the case of each such contract (a) what is the amount (b) what is the name of the holder (c) has there been any change in the terms or provisions thereof or the parties thereto, since April 8, 1963 (d) what is the expiry date?

5. Is it the policy of the Post Office Department to continue calling for public tenders for any and/or all contracts for the carriage of mail into, out of, or within the Yukon, as the policy has been in the six years prior to April 8, 1963?

6. Has the Postmaster General or any official or employee of the Post Office Department had any correspondence with Mr. N. V. K. Wylie, Harry Johannes, Dave Howard, or any other person in the Yukon not in the employment of the government and, if so, what has been the nature of such correspondence?

Return tabled.

YUKON TERRITORY—COMMERCIAL FISHING

Question No. 1,573—**Mr. Nielsen:**

1. With respect to the operation of the Department of Fisheries in the Yukon Territory, to what extent has commercial fishing been carried out in the Yukon since the establishment of the policy allowing commercial fishing in the lakes of the Yukon?

2. Does the government contemplate extending its commercial fishing policy in the Yukon so as to allow fishing to a greater extent in a larger number of lakes than heretofore?

3. What lakes were fished commercially in the Yukon during the years 1962 and 1963, and what number and type of fish were caught in each lake?

4. Were any fish exported for sale outside the Yukon in the years 1962 and 1963 and, if so, what number and type of fish were so exported?

5. Has the government been co-ordinating between the Department of Fisheries and the Department of Citizenship and Immigration a(Indian affairs branch) to establish Yukon fisheries for the Yukon Indian people and, if so, what are the details of any plans existent or contemplated for the establishment of such fisheries?

6. What fisheries personnel are now established in the Yukon, and what are the respective salaries?

7. When was the last raise in pay provided to these personnel, and if no such raise has been provided, for what reason?

Return tabled.

Motions for Papers

MOTIONS FOR PAPERS

CORRESPONDENCE WITH EXECUTIVE OF YUKON LIBERAL ASSOCIATION

Motion No. 152—**Mr. Nielsen:**

That an order of the house do issue for a copy of all correspondence, telegrams, documents and other papers exchanged between the Postmaster General or any of the officials or employees of the Post Office Department, and Mr. N. V. K. Wylie, Mr. H. Johannes, or Mr. Dave Howard, all of the city of Whitehorse, in the Yukon Territory, or with any other member of the executive of the Yukon Liberal association.

Mr. Denis: Mr. Speaker, I have no objection to the adoption of this motion and to the tabling of all official correspondence.

Mr. Speaker: The motion is agreed to, subject to the reservation of the minister.

Mr. Nielsen: Mr. Speaker, I did not hear any reservation expressed by the minister. He said that the correspondence would be tabled.

Mr. Speaker: Is the motion agreed to without reservation?

Some hon. Members: Agreed.

Mr. Hellyer: With reservation.

Some hon. Members: No.

Mr. Speaker: Would the Postmaster General indicate whether it is with reservation or without reservation?

Mr. Denis: I did not hear the hon. member's question.

Mr. Nielsen: I understood the minister to say the correspondence called for in the motion would be tabled.

An hon. Member: Show a little more "Enterprise".

Mr. Denis: All official correspondence shall be tabled.

Mr. Nielsen: I wonder if the Postmaster General will explain what he means by "official".

Some hon. Members: No.

Motion agreed to.

CANADIAN ARSENALS LTD., LINDSAY—SALE OF PROPERTY AND EQUIPMENT

Motion No. 157—**Mr. Brewin:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all telegrams, correspondence, communications, agreements, tenders and other documents and replies originated or received by the government of Canada or any of its departments regarding the sale of any property of Canadian Arsenals Limited at Lindsay to the Hercules Sales Limited of Toronto, through or by crown assets corporation, or in relation to the sale of

any surplus equipment, or relating to the resale by Hercules Sales Limited of any of the said property or assets or its subsequent use.

He said: Mr. Speaker, I might intervene to say that I am withdrawing this motion.

Order discharged and motion withdrawn.

BATTELLE INSTITUTE REPORT TO ALASKA COMMISSION

Motion No. 160—**Mr. Nielsen:**

That an order of the house do issue for a copy of a general assessment of the Battelle institute report to the Alaska international rail and highway commission and of the latter's recommendations to the United States congress, prepared by the economic division of the Department of Northern Affairs and National Resources, May 26, 1961.

Mr. Laing: Mr. Speaker, somewhat unusually this motion relates to a document prepared under the previous dispensation. If the motion were accepted it would make public a series of internal, confidential reports made by officers for the guidance of the minister. Such papers, as my hon. friend knows, have always been considered privileged by the house, and I think he has some knowledge of the consequences that would flow from changing that general rule. So I would ask him whether on reflection he would agree to withdraw the motion.

Mr. Nielsen: Mr. Speaker, I am perfectly prepared to have the motion stand until I can discuss the minister's request with him. I have a particular reason for wishing the document to be tabled so I can have access to the information, but I certainly would not want to prejudice any negotiations which may be going on or which may be contemplated. Perhaps the motion could stand until I have had the opportunity to have a word with the minister.

Mr. Laing: There is no objection to that.

Mr. Speaker: Stand.

Motion stands.

ECONOMIC REPORT ON HAINES ROAD

Motion No. 161—**Mr. Nielsen:**

That an order of the house do issue for a copy of an economic report on the road from Haines, Alaska, to Haines Junction, Yukon Territory, prepared by the economic division in 1961.

He said: Mr. Speaker, may I request that this motion stand until the minister makes his statement, which I understand he will be doing on orders of the day.

Mr. Speaker: Stand.

Motion stands.

[Mr. Brewin.]

CORRESPONDENCE WITH WORLD FAIR CORPORATION

Motion No. 162—**Mr. Valade:**

That an order of the house do issue for a copy of all correspondence between the government, any parliamentary secretary or executive assistant to any minister of the crown, including the Prime Minister's office, and any member, full time employee or subcontractor of the world fair corporation.

Mr. Pickersgill: Mr. Speaker, I wonder whether the hon. gentleman would permit this motion to stand today. I should like to have a word with him about it.

Mr. Valade: Mr. Speaker, it depends on how the work of the house progresses, because I should like to get this information before Christmas or before the world fair is already operating. I should like to know from the leader of the house when he expects to have this conversation with me, because on the basis of his answer I may accept or refuse. It depends on the answer.

Mr. Pickersgill: I will be glad to do so at any time I am not busy before one of the standing committees.

Mr. Speaker: Stand.

Motion stands.

CORRESPONDENCE RESPECTING MAIL TRANSPORTATION CONTRACTS

Motion No. 163—**Mr. Valade:**

That an order of the house do issue for a copy of all correspondence between the office of the Postmaster General and any employee of the department concerning the awarding of contracts for the transportation of rural or city mail, other than those awarded by public tenders.

[*Translation*]

He said: Mr. Speaker, following a consultation with the Postmaster General (Mr. Denis), I am willing to withdraw this motion, if the house agrees.

[*Text*]

Motion withdrawn.

CLOSING OF UNEMPLOYMENT INSURANCE COMMISSION OFFICE, KITIMAT, B.C.

Motion No. 171—**Mr. Howard:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, telegrams and other documents exchanged between the government or any agency or branch thereof and any other organization, person or government since April 8, 1963 dealing with the proposed closing of the unemployment insurance commission office at Kitimat, B.C.

Motion agreed to.

LOCATION OF HEAVY WATER PLANT

Motion No. 173—**Mr. Douglas:**

That an order of the house do issue for a copy of all correspondence between any department of the federal government or any of its agencies and any other person or persons regarding the location of the proposed heavy water plant.

Mr. Drury: Mr. Speaker, this is subject to the usual reservation that correspondence, if any, between governments be tabled subject to the approval of the provincial governments concerned.

Mr. Speaker: The motion is agreed to, subject to the reservation of the minister.

Motion agreed to.

REQUEST TO RUSSIA FOR RELEASE OF CORRESPONDENCE RESPECTING HALIBUT FISHERY

Motion No. 175—**Mr. Howard:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, telegrams and other documents exchanged between the governments of Canada and the Union of Soviet Socialist Republics relating to the making public of all correspondence, telegrams and other documents exchanged between the two said governments regarding the halibut (Hippoglossus stenolepis) fishery.

He said: Mr. Speaker, the desired effect has been attained and I should like to withdraw this motion.

Order discharged and motion withdrawn.

CORRESPONDENCE WITH LEGION ON CANADIAN FLAG

Motion No. 176—**Mr. Ormiston:**

That an order of the house do issue for a copy of all correspondence between the Prime Minister and the Royal Canadian Legion on the subject of a Canadian flag since April 22, 1963.

Motion agreed to.

APPOINTMENT OF POSTMASTER, JACQUET RIVER, N.B.

Motion No. 177—**Mr. MacRae:**

That an order of the house do issue for a copy of all correspondence, telegrams, documents and other papers, including memos or records of telephone conversations between the Postmaster General or any of the officials or employees of the Post Office Department and Mr. Douglas Pettigrew, M.C., Jacquet River, N.B., Mr. Raymond Doucet, M.L.A., Durham Centre, N.B., and others in connection with the appointment of a postmaster at Jacquet River, N.B.

Mr. Denis: I have no objection to the adoption of this motion and to the tabling of all official correspondence.

Motion agreed to.

Inquiries of the Ministry

BRIDGES

THREE RIVERS, QUE.—POSSIBLE REVOCATION OF ORDER IN COUNCIL

On the orders of the day:

[*Translation*]

Hon. Leon Balcer (Three Rivers): Mr. Speaker, I wish to direct my question to the Minister of Transport. Could he tell us, once and for all, whether the Three Rivers bridge corporation has received the necessary authorization to undertake the construction of the said bridge?

[*Text*]

Hon. G. J. McIlraith (Minister of Transport): I do not know whether the hon. member for Three Rivers wants me to give a legal opinion, but I may say that it is a body incorporated under a provincial statute, and I presume it has the necessary statutory authority.

Mr. Balcer: I just want the facts. I should like the minister to tell us, once and for all, if the present government is going to defer approval that was already given by the previous government for the construction of this long awaited bridge.

Mr. McIlraith: Perhaps I should explain to the house that an order in council was passed by the previous government under date of March 4, 1963, the validity of which I have seen fit to call into question because of its contents and form. This matter has not yet been settled. The reason the matter got any notice at all when the order in council was discovered was that the work proposed would involve interfering with the flow of the St. Lawrence river in the spring of the year in a way that it would be very expensive to remedy, and would involve possibly severe interruption in the use of the river.

Mr. Balcer: May I ask a supplementary question. I wonder if the minister is aware that the order in council in question was adopted following a complete survey of the whole question, and that there was an undertaking from the federal government to construct certain works in the river. Following the passage of this order in council the bridge corporation decided to go ahead with construction, and they are going to let the contract within a few weeks for the construction of this $35 million bridge.

Mr. McIlraith: I am not aware of the assertions contained in the hon. member's statement. There was some lack of completeness in the information in the files, so much so that I asked the hon. member if he would consider making available his files on the subject so I could get more information than was in the files I had available. I should point out that

I could find no commitment of the former government to expend $60 million for the remedial work.

Mr. Balcer: On a question of privilege, Mr. Speaker, there was no question of the federal government spending $60 million at that time. The information from all the experts in the Departments of Transport and Public Works was to the effect that these works would cost $6 million.

[*Later:*]

Hon. George C. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, I do not want to prolong this question period, but in view of an answer given by the Minister of Transport to my colleague the member for Three Rivers I think I should ask him what the implications were in his statement that he was questioning the validity of an order in council. I can understand that an order in council, once it has been signed by His Excellency and promulgated, can be modified or repealed, but what right has a minister to question it? It can only be referred to the courts. I think this matter should be clarified this afternoon; it is on the record, and I think it should be straightened out.

Mr. McIlraith: It is concerned, Mr. Speaker, with what the order in council means. It has to do with the identity of plans. The language of the order in council refers to plans; there are a whole series of plans.

Mr. Nowlan: That may be a question of fact, Mr. Speaker, as to all of the factors involved in the order in council; but I suggest that does not go to its validity. I am questioning the right of any minister to question the validity of an order in council once it has been signed by His Excellency and duly promulgated. I would ask the minister whether he does not agree that the courts are the only place in which the validity of an order in council can be questioned.

Mr. McIlraith: That is the whole question up for consideration now.

Some hon. Members: Where?

Mr. Nowlan: Is that consideration in the minister's office or is it under consideration in the courts?

Mr. McIlraith: It is under consideration at this point in the minister's office.

Mr. Speaker: The hon. member for New Westminster.

Mr. Mather: Mr. Speaker, I have a question which I have been trying to ask the finance minister for the last half hour, but in order to speed up proceedings and get a reply I think I will write him a letter.

TRADE

EFFECT ON CANADIAN INDUSTRY OF U.S. TARIFF RECLASSIFICATION

On the orders of the day:

Hon. George C. Nowlan (Digby-Annapolis-Kings): I should like to direct a question to the Minister of Trade and Commerce and ask him if he would comment briefly on the newspaper and other reports which have been appearing with respect to the effect upon our exports to the United States of the United States tariff reclassification act, which came into effect on August 31, and particularly with regard to reports that the government's policy concerning the export of automobile parts has been curtailed because, instead of being classified as parts having a duty of 8½ per cent, they have been classified as materials going into the machinery of production carrying a tariff of 18½ per cent.

Hon. Mitchell Sharp (Minister of Trade and Commerce): The hon. member will probably recall from my statement in the house on November 12 that uncertainties created for all Canadian exporters as a result of the recent introduction of a complete revision of the United States tariff nomenclature were under discussion with the United States. These discussions are continuing. It will be recalled that the question relates to whether certain items shipped to the United States should be classified under the new United States tariff language as parts or as manufactures of the metals or other materials from which they are made. Auto parts are definitely involved and could if preliminary classifications are upheld, be subject in certain cases to rate increases such as the hon. member has mentioned.

However, the United States bureau of customs has not ruled on these classification questions. In the meantime we are in constant touch with the United States government and will of course insist that Canadian interests be safeguarded.

WHEAT—FINDING OF GLASS IN SHIPMENTS TO RUSSIA

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): May I direct a question to the Minister of Trade and Commerce or the Minister of Transport regarding the investigation into the glass found in wheat shipments to the Soviet union. I should like to ask two questions. First, were any foreign bodies other than glass found in these wheat shipments? Second, I would like to ask either minister whether it is correct that these foreign objects, particularly glass, have been more common in

shipments passing through ports coming under the jurisdiction of the national harbours board than in shipments which have been passing through ports coming under the supervision of the board of grain commissioners?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, may I answer the first part and then refer the hon. member to my colleague the Minister of Transport. Of course from time to time small quantities of foreign objects are found in grain, and it is impossible to avoid all contamination of this kind. On the particular question of glass found in some recent shipments, my colleague, the Minister of Transport has been co-ordinating an interdepartmental meeting on this subject, and I think he should answer that part of the question.

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, if I may answer the second part of the hon. member's question, the bottles or glass were found in shipments from different ports, both those under the jurisdiction of the national harbours board and those under other jurisdictions.

Mr. Arnold Peters (Timiskaming): Is there not available a report following the inquiries made into contamination of shipments made to Great Britain?

Mr. McIlraith: No, Mr. Speaker, there is not.

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I would like to ask the minister what quantity of grain was affected by this contamination?

Mr. McIlraith: I cannot tell that, but I think the stories on the subject, if I may use the term as comprising a lack of precision, appear to have been magnified quite materially. It is a matter of great seriousness, because of the necessity of preserving the very fine reputation of Canadian wheat. It is important that the matter be thoroughly investigated, and every remedial step that can be taken must be taken to prevent any possibility of any recurrence or continuation of these incidents.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I would like to ask the Minister of Justice a question that is supplementary to the previous one. Has the minister received any information from the government agencies involved as to a possibility that this kind of, one might say, industrial sabotage, has been done by supporters of the F.L.Q.? If so, are any of his officials giving any assistance to the investigation?

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, I am very happy to answer that question. Neither the officials of the Department of Justice nor the R.C.M.P. have received any information to that effect. However the Minister of Transport and the other minister involved have been told that the R.C.M.P. are at their disposal, and are willing to assist and to co-operate with the provincial police, as well as with the municipal police and the national harbours board police if they should be required.

Mr. Douglas: Could the Minister of Transport or the Minister of Trade and Commerce tell us when the house will be given a report arising from these investigations, and also what steps are being taken in the meantime to prevent a recurrence of this unfortunate incident?

Mr. McIlraith: Perhaps I could add to something I said on the former question. There is no suggestion in this that there is a conspiracy, sabotage, or irregular action of that sort. It appears to be a matter of pure carelessness of persons who are working in very dusty conditions, and I may say—

An hon. Member: They don't like water.

Mr. McIlraith: Well, they like the contents of a little glass, and if anyone saw the kind of work they have to do that would be well understood. Now, Mr. Speaker, this occurrence should not be permitted to get out of perspective. It is a very serious matter, but there is no suggestion of sabotage or anything like that involved. As a matter of fact, since the F.L.Q. was mentioned, I have to report that some of the bottles were found in two railway cars that had come from Ontario shipping points, one of which was a carload of soybeans.

Mr. Douglas: I asked the minister whether a report would be made.

Mr. McIlraith: Yes, I want to answer the question of the hon. member for Burnaby-Coquitlam. As soon as I can get anything to report to the house I shall be glad to do so. In the meantime steps are being taken to deal with the problem.

Mr. Douglas: What are they?

Mr. McIlraith: Perhaps I could indicate some of them. Very close attention is being given this matter by the board of grain commissioners, the national harbours board, the other harbour authorities, the other grain shipping people and the shipping interests, because it would appear that the bottles are going in after the grain is on the ships. The kind of remedial measures taken can be illustrated by the fact that in one particular harbour the agency which sells soft drinks no longer uses bottles, but paper cups.

Inquiries of the Ministry

Mr. Woolliams: I would like to ask a supplementary question, because Canada's good name in reference to wheat is at stake. Surely the minister is able to tell us how many millions of bushels have been affected. He tends to minimize a situation that affects a contract worth $500 million.

Mr. McIlraith: Mr. Speaker, I was trying to do the very opposite. I was trying to emphasize the importance of the subject because of the proud name Canada has as a wheat supplier and wheat producer. I have no information how many bushels were affected and there has been no claim made asserting the number of bushels. Whether there will be, I do not know.

Mr. S. J. Korchinski (Mackenzie): Perhaps I could help the Minister of Transport by asking him if it is not a fact that the Canadian responsibility ends after the grain has left the terminals and is being loaded on to the ships? Does it not then become the responsibility of the shipping company or of another country.

Mr. McIlraith: That is correct.

[*Later:*]

Mr. G. D. Clancy (Yorkton): Mr. Speaker, I would like to revert to the last subject and ask the Minister of Trade and Commerce whether he has had any official correspondence from any customer country—

An hon. Member: What about Cuba?

Mr. Clancy: Never mind Cuba. Has the minister had from the importing countries official complaints about wheat—

An hon. Member: With glass in it.

Mr. Clancy: Has the minister had any official complaints about the adulteration of wheat? Has he had any claims on the insurance; and if so, will he table them?

Mr. Sharp: In this respect, Mr. Speaker, I can only answer on behalf of the Canadian wheat board, and I can inform the house that the wheat board has received no claims.

[*Later:*]

Mr. Korchinski: Mr. Speaker, in view of the reply the Minister of Transport gave me earlier, could he indicate—and this time I would ask him to answer without any prompting—whether, as he has already mentioned that our responsibility ends once the grain leaves the terminal point, from there on the responsibility in this particular case was with the Russian authorities? Could he indicate what authority he has over any investigation, and whether the Russian authorities have indicated their co-operation in any investigation?

Mr. Speaker: May I suggest that the hon. member put this question on the order paper.

INDUSTRY

HEAVY WATER PLANT—PRICE PER POUND OF PRODUCT

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I would like to direct a question to the Minister of Industry. What price per pound of heavy water have the government and Deuterium Corporation of Canada finally agreed upon?

Hon. C. M. Drury (Minister of Industry): The price, Mr. Speaker, for which acceptance was approved was $20.50 a pound.

Mr. Thompson: As a supplementary question, what is the total amount of the subsidy that will be paid on coal used to produce heavy water?

Mr. Drury: Mr. Speaker, this is somewhat difficult to answer as Deuterium Corporation of Canada will be buying steam from a source of steam in Nova Scotia, and not buying coal itself. It is difficult to say, therefore, how much coal will be used in this operation.

Mr. Thompson: As a further supplementary question, what is the amount of the subsidy paid on the coal that is used to produce this steam that will be used to produce heavy water?

Mr. Drury: At the particular location where it is proposed to produce this steam there is a subsidy payable, called an oil equalization subsidy, which varies from period to period depending on pithead costs and the distance of the user of the coal from the mines. In the particular case in question for the present period it will be of the order of 91 cents a ton.

Mr. T. C. Douglas (Burnaby-Coquitlam): Is Deuterium Corporation of Canada a wholly owned American company?

Mr. Chevrier: We answered that yesterday several times.

Mr. Drury: At the moment, Mr. Speaker, Deuterium Corporation of Canada is, I understand, not owned by Canadian residents. There is to be a further distribution of shares, amounting to something in excess of 50 per cent, which will be made to Canadian residents.

Mr. Thompson: As a supplementary question, does this price of $20.50 per ton represent the lowest tender bid per pound of heavy water?

Mr. Drury: As I said in my statement, Mr. Speaker, the price of $20.50 represents the

lowest price for an unconditional proposal made to Atomic Energy of Canada Limited.

Mr. Thompson: A supplementary question—

Mr. D. V. Pugh (Okanagan Boundary): On a point of order, Mr. Speaker—

Mr. Thompson: —does the Minister of Industry—

Mr. Speaker: Order. A point of order has been raised by the hon. member for Okanagan Boundary.

Mr. Pugh: It seems to me, Mr. Speaker, that on orders of the day there should be a few questions and a few answers, but we have had a full scale debate on about four subjects in the last four questions.

Some hon. Members: Hear, hear.

Mr. Thompson: Mr. Speaker, I am seeking some very urgent information.

Mr. Speaker: Order. I must say that due to the importance of one or two of the questions asked this afternoon I have perhaps permitted more time than is usual. However, it seems to me that to go any further on this line of the heavy water project would be to waste the time of the house; or, putting it in other words, I think questions would be better placed on the order paper seeking detailed information of this sort, which to a large degree is anticipating something which has not yet officially happened.

HOUSE OF COMMONS

REPORTED INTENTION OF GOVERNMENT TO CALL ELECTION

On the orders of the day:

Mr. Grant Deachman (Vancouver Quadra): Mr. Speaker, I have a question for the right hon. Prime Minister. In view of persistent rumours that an election will be called in the near future, can the Prime Minister indicate if it is his intention to call an early election?

Some hon. Members: Order paper.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, contrary to some reports that have been made, we intend to proceed with our program for this parliament, and if an election is called before the end of this parliament it will be the responsibility of those on the other side of the house.

Mr. Crouse: Mr. Speaker, I should like—

Mr. Frank Howard (Skeena): A supplementary question—

Mr. Speaker: Order. I think the last answer was very complete. The hon. member for Queens-Lunenburg (Mr. Crouse).

Mr. Howard: I have a supplementary question, Mr. Speaker, that I wish to direct to the right hon. Prime Minister. Is the information he just gave to the house the same as that which he gave to the caucus this morning?

EXTERNAL AFFAIRS

INQUIRY AS TO DISCUSSIONS RESPECTING 12 MILE FISHING ZONE

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. Are the Minister of Fisheries and the Secretary of State for External Affairs negotiating at the present time with Washington over the 12 mile limit; and if so, will the Prime Minister give the house a report on the progress being made, either today or as soon as possible, in these negotiations?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, when the meeting that is being held today in Washington is over, either of the two ministers mentioned will be glad to report to the house.

POST OFFICE DEPARTMENT

JACQUET RIVER, N.B.—APPOINTMENT OF POSTMASTER

On the orders of the day:

Mr. J. Chester MacRae (York-Sunbury): Mr. Speaker, I have a question for the Postmaster General, of which I sent him notice. When does the Postmaster General propose to fill the position of postmaster at Jacquet River, New Brunswick, for which a competition was held and an eligibility list established? Or does he propose to continue to act in flagrant violation of the Civil Service Act in regard to this matter?

[*Translation*]

Hon. Azellus Denis (Postmaster General): Mr. Speaker, there has been no violation of the law concerning the matter mentioned by the hon. member. The transfer of the post office was made last December 2 and the new postmaster is Mr. Douglas Bonar Pettigrew.

[*Text*]

POWER

COLUMBIA RIVER—INQUIRY AS TO RENEGOTIATION OF TREATY

On the orders of the day:

Mr. D. V. Pugh (Okanagan Boundary): Mr. Speaker, I have a question for the Prime Minister. With reference to the Columbia river treaty, on November 20 the Prime Minister stated that the discussions were to be

held on a rather different level and that he would look into the matter and obtain more details for me. Would he now tell me whether a top level meeting was held, and the results?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, those meetings are still going on. The premier of British Columbia had a talk with the Secretary of State for External Affairs on the matter when he was here last week. The Secretary of State for External Affairs is in Washington today, and I hope will be in a position to make a report on this matter very shortly.

AIRPORTS

WINNIPEG—INQUIRY AS TO OPENING CEREMONIES

On the orders of the day:

Mr. S. J. Enns (Portage-Neepawa): Mr. Speaker, I have a less ominous question for the Minister of Transport than some which have been directed to him today. Now that the new Winnipeg airport has been in use for several weeks, has he any advice to give to the house as to when the official opening ceremonies will be held?

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, the official opening will take place on January 17, 1964.

Mr. Enns: A supplementary question, Mr. Speaker. I wonder whether there are any security precautions planned for that date to protect the modern abstract art forms of the new building from an irate public.

DOMINION-PROVINCIAL RELATIONS

CONSULTATION RESPECTING DESIGNATION OF DEPRESSED AREAS

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I intended to ask my question of the Minister of Industry, but in his absence I will put it to the President of the Privy Council, who is responsible for federal-provincial relations. Now that the federal-provincial conference is over, does the minister, in the mood of co-operative federalism—

Hon. Maurice Lamontagne (President of the Privy Council): Yes, Mr. Speaker.

Some hon. Members: Oh, oh.

Mr. Grafftey: Now that the federal-provincial conference is over, can the minister guarantee to the house that the provinces will always be consulted in the future by the Minister of Industry before local areas are designated?

[Mr. Pugh.]

An hon. Member: He said yes.

Mr. Lamontagne: Mr. Speaker, at the meeting last week, and especially at the special committee which dealt with this matter, there was complete understanding between the provinces and the federal government.

Mr. Balcer: Answer the question.

Mr. Grafftey: A supplementary question, Mr. Speaker. Am I now led to believe that "complete understanding" indicates that the federal government will consult the provinces at all times in the future before local areas are designated in the provinces concerned?

Mr. Lamontagne: This undertaking was given by the Minister of Industry, and it was also made public previously in the brief presented by the Prime Minister himself.

NATIONAL DEFENCE

REQUEST FOR COMMENT ON NEWSPAPER ARTICLE RESPECTING POLICY

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I would like to ask the Minister of National Defence whether he has now read the report which appeared in the papers yesterday disclosing defence policy; and will he inform the house whether the army base at Fort Churchill is to be closed down; is there to be a 10 per cent reduction of the forces; are the estimates for this year to be reduced by $74 million—

Mr. Chevrier: Are you in a debate?

Mr. Churchill: —and is the forecast of next year's budget correct, in the articles to which I have referred?

Mr. Chevrier: That is five questions in one breath.

Hon. Paul Hellyer (Minister of National Defence): To be perfectly honest, Mr. Speaker, I have not yet had a chance to read the article.

Mr. Churchill: Your picture appears in it.

Mr. Hellyer: I am not really interested in looking at my own picture. However, I will try to locate it between now and tomorrow, and if my estimates are called tomorrow afternoon I will answer as many of the hon. gentleman's questions as I can at that time.

Mr. Churchill: I have a supplementary question, Mr. Speaker. These articles speak about informed sources giving this information, meaning from the Department of National Defence. The minister should surely be able to inform the house whether these statements are correct. That is all I am asking him.

Mr. Joseph Slogan (Springfield): Mr. Speaker, I have a question for the Minister of National Defence. Would the Minister of National Defence say whether it is government policy to close about half a dozen radar stations in the Pine Tree radar line in the not too distant future?

Mr. Hellyer: Mr. Speaker, it is not normal to answer questions on policy at this time. I will be glad to go into these things more fully tomorrow, if I have the opportunity.

NUCLEAR WEAPONS—INQUIRY AS TO STORAGE ON CANADIAN SOIL

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): I should like to direct a question to the Prime Minister and ask him whether United States nuclear weapons are now stored at La Macaza or North Bay or at any other bases in Canada.

Right Hon. L. B. Pearson (Prime Minister): I would have to take that question as notice.

TRANS-CANADA AIR LINES

REPORTED DISPUTE CONCERNING JURISDICTION OVER CRASH INVESTIGATION

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 Minister of Transport. Has the minister any comment to make on the reports that a conflict of jurisdiction between the Department of Transport and the Quebec provincial police impedes the investigation of the circumstances surrounding the crash of a DC-8F at St. Therese de Blainville?

[*Text*]

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, I have seen some of these reports. There is no jurisdictional dispute whatever between the two authorities. I think perhaps, because of the seriousness of the matter, I should explain my answer a little further by saying there is concurrent federal and provincial responsibility and jurisdiction in regard to investigation of the T.C.A. aircraft accident which occurred last Friday.

Under the Quebec coroners act and the Quebec police act responsibility for investigating circumstances relating to deaths, and authority for such investigation, is established. Similarly, in the Aeronautics Act and the air regulations made thereunder federal responsibility and authority exists for investigation of the accident to the aircraft; and, as I announced on Monday, steps have already been taken to set up a very extensive investigation under federal authority and control. There are, in effect, two sources of authority for investigation, provincial and federal. The provincial authorities are acting in accordance with their area of responsibility, while the federal investigation is proceeding under federal authority and responsibility. Both are working in close collaboration and in a spirit of mutual co-operation and assistance in this regard.

FUTURE OPERATION AND MAINTENANCE OF VISCOUNT AIRCRAFT

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): I should like to ask the Minister of Transport if it is correct that 34 Viscount aircraft will be operated by T.C.A. during the next ten years and serviced at the Winnipeg overhaul base, as he is reported to have stated to Mr. Victor Mackie of the Winnipeg *Free Press*.

Hon. G. J. McIlraith (Minister of Transport): Yes. I think I gave that information here in the house in answer to a question, and it was repeated yesterday in the sessional committee on railways, air lines and shipping by the president of T.C.A.

Mr. Churchill: Does that mean that 34 planes will be kept in operation throughout the ten year period?

Mr. McIlraith: Yes, and that is what I sought to convey to the hon. member when I answered a question of his some days ago and told him that the significant change contained in the announcement was the part which indicated that the Viscounts would be kept in operation, and not phased out as had been previously intended.

Mr. Churchill: On a question of privilege, the minister, on November 26, declined to answer the question I put to him.

Mr. Chevrier: Where is the question of privilege?

Mr. Churchill: The minister gives this information to a reporter, and my question of privilege is that he denied to this house information to which we had a right, though he disclosed it to a newspaper which is friendly to him. That is my question of privilege, and I accuse the minister of misleading the house on November 26 on this subject.

Mr. Chevrier: You are attacking him because he gives too much information to the house.

An hon. Member: Never.

Mr. Chevrier: You did a while ago.

Inquiries of the Ministry

Mr. McIlraith: I think I should point out that the first day questions were asked on this matter I did not have the precise figures with me. The second day, I had verified a great many of the figures as best I could. I would point out to you, Mr. Speaker, that on no occasion did the hon. gentleman do me the courtesy of giving me notice when he wanted precise numbers.

TYPE OF ENGINE USED IN DC-8F PLANES

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I should like to ask the Minister of Transport if he is in a position to answer the question I asked yesterday concerning the type of aircraft engine used on the DC-8F's which crashed recently?

Hon. G. J. McIlraith (Minister of Transport): Yes. I am informed these aircraft were equipped with Pratt and Whitney fan jet engines type JT 3D-3.

PRIVILEGES AND ELECTIONS

SUGGESTED APPEARANCE OF PRIME MINISTER BEFORE COMMITTEE

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Prime Minister. On November 20 I asked him a question, reported on page 4961 of *Hansard* as follows:

> I should like to ask the Prime Minister whether it is his intention to appear before the standing committee on privileges and elections to outline to that committee the details of the government's program for making a contribution from the public treasury toward the costs incurred by parties and candidates during election campaigns?

The answer given by the Prime Minister at that time was:

> I have not been invited to appear before the committee, so the question is indeed hypothetical.

I should like now to ask the Prime Minister whether as yet he has received an invitation to appear before that committee.

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker, and I asked whether, if I found it not easy to appear because of other activities, I could delegate a spokesman for the government; and I have done that.

Mr. Howard: A supplementary question. Is that spokesman the Secretary of State?

Mr. Pearson: At the moment I am not quite sure, but I will look into it.

[Mr. Chevrier.]

BUSINESS OF THE HOUSE

REQUEST FOR ANSWER TO QUESTION ON ORDER PAPER

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the Minister of Public Works. Now that 61 days have passed can he tell me when my question No. 1,237 on the order paper will be answered? It was placed there on October 4.

Mr. Hubert Badanai (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, the answer to this question involves 141 contracts. It is a complicated question. We have answers to most of it, but expect a complete answer to be ready by next Monday. I would ask the hon. member to be patient until next Monday.

UNITED NATIONS

PORTUGAL—CANADIAN VOTE ON RESOLUTION RESPECTING COLONIAL POLICY

On the orders of the day:

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, I have a question for the Prime Minister. I wonder whether the Prime Minister would assist the house in reconciling the strong condemnation of Portugal's colonial policies by the Secretary of State for External Affairs in last Thursday's debate and Canada's vote at the United Nations yesterday against a resolution opposing those policies?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, there is no necessity to reconcile those two positions, but I will bring the hon. member's question to the attention of the Secretary of State for External Affairs, who I think will be in the house tomorrow.

NATIONAL ANTHEM

INQUIRY AS TO RECOMMENDATION OF "O CANADA"

On the orders of the day:

[*Translation*]

Mr. Pierre-Andre Boutin (Dorchester): On November 21 I put the following question to the Prime Minister:

> Is it the intention of the Prime Minister to suggest that "O Canada" be adopted as the national anthem of Canadians, when he introduces his bill to give Canada a truly Canadian national flag?

This question having been ruled out of order at that time, I put it on the order paper the next day, as suggested by the Speaker.

As I have not received any answer yet, I ask the Prime Minister whether he intends to answer that question soon or to include it instead in the Liberal program at the next election?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): I hope to be in a position to answer this question in a very few days.

PENITENTIARIES

NEW WESTMINSTER—RECOMMENDATIONS THAT CONDITIONS BE INVESTIGATED

On the orders of the day:

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, I should like to answer a question which was put to me yesterday by the hon. member for Burnaby-Coquitlam concerning the trial of three inmates in British Columbia. I did receive a letter from the judge at the trial of Messrs. Carlson, Wood and Casey, the three inmates who were tried and convicted for activities in connection with the attempted jail break from New Westminster penitentiary on April 19 and 20, 1963. The judge enclosed with his letter the recommendations brought in by the jury. In summary, these recommendations are:

1. That one inmate be given a cancer check at a recognized cancer clinic in Vancouver.

2. That the three inmates be transferred from British Columbia.

3. That based on evidence presented in this case regarding treatment of prisoners, an independent and official investigation into these allegations was recommended.

The honourable judge stated in his letter to me:

> The jury brought in recommendations as set out on the sheet enclosed and I promised that these would be passed on to the proper authorities.
>
> I should add that I am not at all in accord with any of these recommendations as I was not satisfied on the evidence that there was anything to be investigated except the alleged crimes before the court.

The commissioner of penitentiaries informs me that the inmate Casey has been examined on many occasions and has not got cancer. However, he is directing that a specialist consultant is to give this inmate a complete check and that a report is to be furnished to him by the penitentiary psychiatrist concerning the obsession that this inmate has.

On the second recommendation, steps have been taken to transfer the young inmate Carlson to another institution to get him away from the influence of Casey. Casey will remain at British Columbia penitentiary until St. Vincent de Paul penitentiary is in a proper state to handle this inmate.

On the third recommendation, I accept the statement of the honourable judge, that there was nothing in the evidence presented at the court that disclosed that there was anything to be investigated. I am satisfied that the British Columbia penitentiary is well run and that an investigation by an independent body is quite unnecessary. Incidentally, the commissioner of penitentiaries is out there now, and I am sure he would have reported to me had there been anything amiss with the operation there.

INQUIRY FOR RETURN

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to ask the ubiquitous and indispensable Secretary of State a question.

An hon. Member: Indispensable?

Mr. Fisher: Nobody is indispensable.

Mr. Howard: I ask it because of the possibility that the privileges of the house may be involved. Would the hon. gentleman mind looking at motion No. 169 which stood in my name and related to a single telegram. The motion was passed by the house and I should like to ask the Secretary of State whether that telegram, or a copy of it, could be tabled at the earliest possible moment.

Hon. J. W. Pickersgill (Secretary of State): I shall be glad to look at it.

MINES, FORESTS AND WATERS

INVITATION TO SECRETARY OF STATE TO APPEAR BEFORE COMMITTEE

On the orders of the day:

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, on the basis of standing order 39, paragraph (1), I would ask the hon. member for Nickel Belt, chairman of the committee on mines, forests and waters, if he intends to invite the Secretary of State to attend the next meeting of that committee in order to give him the opportunity to explain the commitments he made in the house.

[*Text*]

Mr. O. J. Godin (Nickel Belt): I will be pleased to report to the committee any decision which I may take concerning the evidence to be heard by the committee at the meeting on Friday morning.

[*Translation*]

Mr. Gregoire: Mr. Speaker, I wish to direct a supplementary question to the hon. member for Nickel Belt. He has not answered the question I asked him. I asked him if he intended to invite the Secretary of State following the latter's suggestion that he appear before the said committee. What I want is an answer to that question.

[*Text*]

Mr. Godin: That would seem obvious, since the Secretary of State himself indicated he would be prepared to appear.

[*Translation*]

Mr. Gregoire: Mr. Speaker, I should like to direct another supplementary question on this matter. Could I ask the chairman of that committee at what time he intends to ask the Secretary of State to appear before the said committee?

[*Text*]

Mr. Donald MacInnis (Cape Breton South): On a question of privilege; I failed to catch the entire exchange between the hon. member for Lapointe and the chairman of the mines, forests and waters committee. Did I understand the chairman of that committee to indicate that he would do something? Considering that at the committee meeting this morning, at the insistence of Liberal members, the steering committee could not even make a decision—

Mr. Speaker: Order. It seems to me the reply of the chairman was sufficiently clear.

Some hon. Members: Oh, oh.

BUSINESS OF THE HOUSE

REQUEST FOR OUTLINE OF BUSINESS FOR REMAINDER OF SESSION

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): A few days ago I asked the Prime Minister if he intended to add to, or change in any way, the outline of the legislation which the government had announced for this session. The Prime Minister said at that time he would make an answer in a few days. I wonder if he is in a position to make it now.

Right Hon. L. B. Pearson (Prime Minister): There have been some discussions as to the procedure to be followed during the rest of the session. I hope to be in a position to make a statement on this and related matters tomorrow.

Hon. Gordon Churchill (Winnipeg South Centre): I wonder if I could ask the leader of the house which estimates will be taken up tomorrow, so that everybody may have an opportunity to prepare.

Hon. J. W. Pickersgill (Secretary of State): Tomorrow it is proposed, immediately after the orders of the day are reached, to take the estimates of the Department of National Defence. If they should not be concluded by tomorrow evening it is proposed to go on with them on Friday. I will indicate at the usual time and in the usual way what will be taken after that.

CANADIAN OVERSEAS TELECOMMUNICATION CORPORATION ACT

AMENDMENTS RESPECTING CO-ORDINATION WITH OTHER NATIONS, ETC.

Hon. G. J. McIlraith (Minister of Transport) moved the third reading of Bill No. C-112, to amend the Canadian Overseas Telecommunication Corporation Act.

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

AERONAUTICS ACT

AMENDMENTS RESPECTING CHARGES FOR USE OF FACILITIES AND SERVICES

Hon. G. J. McIlraith (Minister of Transport) moved the second reading of Bill No. C-117, to amend the Aeronautics Act.

He said: A bill containing a large part of what appears in the measure now before the house was given first reading by the last parliament but because of the dissolution of that parliament it was not proceeded with. Perhaps I should outline briefly the principles included in the existing bill.

At the outset let me explain that the amendments are primarily intended to clarify and strengthen existing legislation and to make provision for fees and charges, some of which are now collected pursuant to the Financial Administration Act. Fields with which the amendments deal are fields in which the department is already active. The department's efforts in these fields have been taken under the general over-all authority of the Financial Administration Act and part I of the Aeronautics Act, but the experience which we have had has led us to believe that on a number of points our authority and our responsibility should be more clearly spelled out. I will review these points briefly.

The bill provides for regulations prescribing charges in respect of aircraft and airports. At present, charges are levied under air services fees regulations made under the authority of the Financial Administration Act. This act provides in part that fees may be prescribed by regulation charging the whole or part of the cost of any service to the person or persons for whom it is provided. Some of the facilities required by modern aircraft in the air and at airports are not encompassed by the word "service", and accordingly it is considered desirable to broaden the base on which charges may be levied. To accomplish this purpose it is felt that it would be better to place the authority

for charges in respect of aircraft and airports in the Aeronautics Act. The amendment would permit the government to deal with the situation which developed recently when it was decided to withdraw the route facility fee which had been imposed in January, 1960, under the authority of the Financial Administration Act. There is serious doubt that the Financial Administration Act authorizes this charge.

The bill also provides for regulations respecting the maximum hours of work and other working conditions for pilots, co-pilots, navigators and flight engineers employed by any person operating a commercial air service licensed by the air transport board. The complexity of the larger aircraft of today, the speeds at which they travel and the ever-increasing number of aircraft now in operation require flight crews to be at a peak of physical and mental efficiency during flight. To ensure this standard of efficiency it is necessary that the crew members do not remain on duty for excessive periods of time and be not required to work under conditions which are detrimental to safety.

There is provision for regulations to be made respecting the entering of the premises of any aircraft manufacturer and the inspecting of those premises, including any equipment, stock or records found therein, for the purpose of determining the airworthiness of aircraft manufactured by that manufacturer. No aircraft manufactured in Canada may be put to civil use unless it is airworthy and fit and safe in all respects for flight. It is the department's responsibility to ensure this; and to do this it is necessary to obtain complete information on the aircraft, including its parts and components and the facilities and equipment available to its builder.

There is also provision for regulations respecting the preservation and removal of aircraft involved in accidents, including the cargo thereof, and the preservation, removal and testing of any part of the aircraft. All hon. members will be particularly sensitive in these recent days to the fact that it is of the utmost importance that the exact cause of an aircraft accident should be determined, since this knowledge may serve to avert other mishaps. If the cause of an accident is to be determined, however, then it may be necessary to retain custody of the aircraft and its cargo and to remove and test any part of the aircraft.

Provision is also made for regulations respecting the use and operation of rockets, moored balloons and kites that, in the opinion of the governor in council, are hazardous to air navigation. It is rather interesting to note here that in more recent times the firing of rockets for military and scientific purposes has engendered intense public interest in this field of endeavour, so much so that we now have the amateur rocketeer constructing and firing his own rockets. Many of these do-it-yourself rockets are capable of reaching considerable altitudes and, although it has not happened yet in Canada, aircraft in flight have already suffered damage from these missiles. Although they have been with us for a considerably longer period of time, the moored balloon and kite are also something of a hazard to aircraft in flight, particularly when flown in close proximity to an aerodrome.

Another provision would vest the Canadian courts with jurisdiction in respect of offences against air regulations committed outside Canada. The Aeronautics Act already authorizes the making of regulations respecting the conditions under which aircraft registered in Canada may be operated outside Canada, but it does not confer jurisdiction on any Canadian court in respect of such offences committed *ex juris*.

Finally, the bill would authorize the establishment of boards of inquiry to investigate aircraft accidents or any alleged violations of the regulations, and would give such boards the necessary powers to fulfil their tasks properly and provide for the payment of witnesses' expenses. This amendment is particularly important as regards aircraft accidents since, if the cause of the accident is to be determined, it may require the establishment of a board armed with sufficient authority to summon and examine witnesses under oath. Hitherto this right has not been given specifically under the act.

I consider the bill to be a forward step. I consider that it will improve the financial position of the department in the operation of airports and route facilities, and it will also advance the safety of air travel in Canada. I would hope the bill would commend itself to the house. As I indicated in my opening remarks, a very substantial part of it was brought forward by the previous government but was not proceeded with by reason of the dissolution of that parliament. Those parts are reincorporated in this bill, together with some new material, as I have indicated in my speech.

Hon. Leon Balcer (Three Rivers): Mr. Speaker, I want to thank the minister for the explanation he has given of the bill now before us. It is a fact that such a bill was brought to the attention of the house in a previous session and from what I can gather from the minister's remarks only a few changes have been made in the bill.

I am interested in the indication in the minister's remarks that the department has

decided to give up its regulation with regard to route facility fees. I know that in the past this has always been a sore point with the foreign carriers. The matter was brought before the courts and I do not think the position of Canada in this regard was too sound legally. I quite agree with the minister that the matter has to be settled one way or another. It would be interesting to know from the minister what amount would have accrued to Canada if the regulations could have been proved to be legal, and also what amounts are going to be paid back to air lines and what air lines are involved.

With regard to the other matters in the bill there is no doubt that most of them are needed amendments. I am sure that members will have a few questions to ask on the various clauses of the bill. For myself I will reserve my other remarks until we are studying the clauses one by one.

Mr. Eric Nielsen (Yukon): Mr. Speaker, I have some pertinent remarks to make with respect to the general principles involved in the bill, as well as the individual clauses of the bill itself. I feel that one of the most serious threats to the efficient use of private aircraft is the present attitude of Canada's air transport board. I speak as one who is quite familiar with the air transport board's operations and the regulations made under the Aeronautics Act because I come in contact with them constantly. I fly my own aircraft and use the airports right across this country and in the United States. I feel that there are three real threats to the growth of private flying in Canada. One, as I have already stated, is the attitude of the air transport board, and the other two are related because as our commercial air industry grows the tendency is for the government, and rightly so in certain respects, through the air transport board to design their regulations and their laws to favour the commercial sector of the aircraft industry in Canada.

The air transport board, I think, readily admits that one of the purposes of its existence is to deter private flying to the extent that private flying may interfere with the efficient operation of commercial carriers. If private flying detracts from the revenues of commercial air lines, then there is an immediate tendency to protect the sources of revenue of the commercial carriers. There are specific sections in the bill, for instance, which impose fees on airplanes using the Department of Transport facilities. The commercial air carriers are not hurt, because of the size of their treasuries, when it comes to complying with these sections, but the private flying industry is seriously affected.

I think it would be useful at this stage to consider the extent to which private flying in Canada has grown in the past few years. As of June 30 this year, official Department of Transport records showed that there were 6,381 Canadian civil aircraft on the registry. Of those only 5,242 had valid certificates of air worthiness. If we compare this situation with that existing in the United States, we find that in that country there were in excess of 8,000 private aircraft on the registry. Most other countries in the world have substantially lower numbers of private airplanes on their respective registries. The fact then emerges that Canada, amongst all the nations of the world, has the second largest private air industry in existence. This is quite a phenomenal growth from the days when transportation was by horse and buggy, by train or by automobile.

We are now faced with legislation that is designed specifically to curb Canada's private air industry. The fees which it is intended to levy against private airplanes using D.O.T. facilities, as the minister has stated, will greatly increase the revenues of the department. I feel, however, that the imposition of a one dollar landing fee at Toronto international airport, Montreal and Vancouver, whether on a private aircraft or any aircraft using these facilities, is not going substantially to increase the revenues of the department. I think, therefore, a valid argument could be made, and I would hope the minister would give serious consideration to it, for changing the section as it applies to private aircraft in respect of these landing fees.

The airports of this country are there for the benefit of all Canadians, just as are the highways. It seems to me wrong in principle that a landing fee should be charged the operator of a private aircraft who goes into a government airfield, just as it would be wrong for an automobile user to pay a toll on the trans-Canada highway. It seems to me that the aircraft owner is already a taxpayer. He contributes towards the cost of these Department of Transport facilities in the same way an automobile owner contributes through his taxes towards the construction of highways. Why should the private owner pay double taxation simply because he chooses one form of transportation over another?

Mr. Byrne: Does he pay tax on gasoline?

Mr. Nielsen: Yes, taxes are paid by aircraft users who purchase gasoline. There is a special tax on gasoline products purchased at most airports across the country. In Ontario, the tax is 17 cents, I think, although certain rebates are granted in most cases. Additional taxes to those paid by automobile

users are imposed on the users of aircraft fuel. This is a provincial source of revenue, I believe, and has no significance so far as the federal government is concerned. For the life of me, I cannot see how the private aircraft owner who is charged a dollar whenever he lands at Toronto, Vancouver or Montreal, is going to make any substantial contribution to the federal treasury. Think of the harm the imposition of this fee will cause. It already has caused harm in Montreal, and I believe the minister or his officials have received representations from organizations in this country who have brought this matter to his attention.

The business concessions at these airports which dispense fuel, the flying clubs which heretofore have been visited frequently by the private aircraft owner who had the privilege of using these services before, are no longer used to the same extent by him as they were before the imposition of these fees. While I am talking about fees, perhaps the minister might explain something to me. It seems to me that the purpose of the bill is the imposition of these fees against private aircraft using these D.O.T. facilities, and yet the fee is already being charged. This is a matter that perhaps requires explanation. If the fees have been charged without authority, then there seems to be something wrong.

There is another sector of the economy that is going to be affected by the imposition of these fees. As the minister knows, there are no national airports in the United States, the airports being owned by municipal or civil authorities. Consequently, there are no national laws requiring the payment of landing fees or other payments for the use of nationally provided facilities. In fact, there is complete freedom in the United States to use these facilities for air travel without any charge whatever. What we are doing is imposing on the United States air travellers who come to this country in great numbers, a nuisance tax—because that is in effect what it is. The air traveller has to land, walk into the airport manager's office and pay one dollar. As I have said, I think that this is going to discourage a great deal of tourist traffic, particularly in the Toronto, Vancouver and Montreal areas.

I want to say a word or two about one or two of the other regulations which I think impose an undue restriction on the growth of the private air industry in this country. One of them is the present air navigation order No. 7, series 1, which sets forth that the owner of a private aircraft is exempt from certain air regulations in respect of claiming compensation by way of rebates on income taxes and the like, if he uses his aircraft on his employer's business.

He can, under the air regulations, be reimbursed for the use of that aircraft if he is travelling on business, but the anomaly in this regulation is that he is the only one who can claim such reimbursement and before he does so he must receive prior approval from the air transport board. Having regard to the speed with which any government agency operates, hon. members can see immediately that where a private aircraft owner is using his aircraft for a business trip he has to plan weeks and months ahead, in order to write to the air transport board to obtain approval before he can obtain reimbursement.

The provision is workable so far as large companies are concerned, with respect to large fuel costs; but nowadays many small businesses are using private aircraft, and if the owner of a small business uses an aircraft to transport his employees from one place of business to another place of business in Canada, the owner of the aircraft can claim reimbursement only for himself. If he takes his accountant, his solicitor, or any other of his staff on that private air journey and just for business purposes, he cannot claim reimbursement under the existing regulations. I think this is an unduly restrictive provision of the air regulations, and is one which is deserving of the minister's very serious consideration.

It would be just as strange to hon. members as if a person using his automobile on business in the province of Ontario had to write to the Department of Transport if he wished to claim allowances when he uses his own automobile for business purposes. Certainly under the provisions of our present legislation the owner of a private automobile, if he moves from A to B on business, can carry the employees of his business with him and obtain reimbursement for travelling expenses. Therefore I cannot see why the owner of a private airplane, which he is using in the course of the conduct of his business, cannot be entitled to claim the same reimbursement. The aircraft is becoming more and more an accepted means of transportation, and it should be viewed in that light.

The other matter which I would like to draw to the minister's attention covers the allowances now in existence under the legislation, permitting a privately owned aircraft to be depreciated. A person in business who owns an automobile and uses it for business purposes is allowed certain depreciation allowances, and those allowances, while they may not be generous, are regarded as being sufficiently broad so that the businessman has no doubt as to when he may claim depreciation and when he may not.

But the private aircraft owner is not so fortunate. Again these matters do not apply

to the commercial operators, but they certainly do to the private operators. Right now the sleuths in the Department of National Revenue are down on the necks of practically every business that operates a private aircraft for business purposes. It is an uphill battle and struggle to claim reasonable depreciation allowance on privately owned aircraft that are used in the businesses of the owners.

I mention one organization about which I am sure the minister has heard. It is the Canadian owners and pilots association, with headquarters here in Ottawa. I am sure they must have made representations to the minister with respect to the imposition of the fees being called for by this legislation. They publish a magazine called "Canadian Flight," and in the April-May issue of this year, and again in the October-November issue, editorials set forth their objections to the imposition of these fees. I read from the April-May issue where the editorial has this to say:

> The latest move in what is obviously a creeping campaign to discourage the use of major airports by small private aircraft is the imposition by the Department of Transport of landing fees for private aircraft at Vancouver, Toronto and Montreal. And to make the pill even harder to swallow, the department at the same time has announced rate increases of up to 50 per cent for outside storage of aircraft at various D.O.T. airports across the country.

This is another matter which is not covered by the regulations, and to which I take serious objection. The minister has airports under his jurisdiction all across the country, with hangars standing on them empty, or filled with farm equipment, or material other than aircraft. Over the past few years I paid rent for storage in a hangar at Whitehorse at a cost of $30 a month. This year, the rate has been increased to $50 a month, and this is not the type of policy that will induce Canadian citizens to engage in flying activity.

I think it is desirable to encourage the growth of a private air industry, but we are certainly not going to do it by following a policy that is going to utilize hangars, which should be made available for aircraft at more reasonable rates, for the storage of farm and other equipment. Also the rates for outside storage have been increased by 50 per cent. Even just to tie an aircraft down on a D.O.T. managed airport costs $18 a month, and the aircraft may suffer from snow-blowing equipment that scatters ice and rocks over it.

The editorial goes on to say:

> Even if these decisions were justified—and that is a highly debatable point—the manner of their introduction has proved to be irritating in the extreme and has stirred up a violent storm of opposition in all parts of the country. In the first place, the new levies were imposed with virtually no warning at all, thus making it impossible for the affected parties either to present opposing arguments or to plan a switch in their operations to other airports. Nor has D.O.T. offered any suitable alternatives to those aircraft owners who are being "pressured by price" away from the major airports.

Here we seem to have a very confused policy with respect to the decisions of the Minister of Transport. Anybody who has read the press or listened to the debates in this house over recent months, must realize that the Department of Transport is trying to separate the light aircraft training operations from scheduled aircraft movements. I only need to quote the exchanges which have taken place in this house with regard to the Penhold training base, and with regard to the Edmonton air base, as being prime examples of this confusion in policy.

I think I can do no better than quote the minister as recorded in *Hansard* for October 1 at page 2888 where he says in part:

> Because of the capacity of the international airport, the size of which was increased during the construction period, I see no need to hold the city to its earlier commitment that it maintain a secondary airport.

He was referring to the city of Edmonton, and this is obviously opening the way towards federal concurrence in the discontinuance of services at the municipal airport. In other words, the minister is saying the new airport in Edmonton can absorb all the flying activity, which includes training schools and scheduled flights.

Mr. McIlraith: No, just read the statement.

Mr. Nielsen: That is going to be the result of it because the small aircraft mainly used the municipal airport. The majority, perhaps 90 per cent of the private aircraft owned in the Edmonton area, use the municipal airport. If that airport is closed down—which seems to be the likelihood because it seems the minister is in favour of that idea, judging from what I read of his remarks, anyway; and perhaps he can clarify this matter—all those private aircraft will be forced to go to the Edmonton international airport. I believe we have a direct conflict here. If that is to be the policy, how does it stand when you set it side by side with closing the Penhold air base, simply because in the opinion of the minister and the government jet flying training in that vicinity interferes with the commercial operation. I do not agree with that either. This also has to do with facilities which are being closed down and which I think are very, very necessary to the safety of aircraft navigation in this country.

At the Portage la Prairie base, for instance, the jet training station was right in the middle of an airway. The radio range in the area was bent. I am sure the minister has been advised by his officials that it is possible

to bend radio ranges so that air traffic can be routed around dangerous areas. They do it in mountainous areas and other areas in which there are obstructions to safe navigation. It seems to me that very little difficulty would be encountered in bending the range at Red Deer, Calgary and Edmonton if it were felt desirable to have jet training operations at Penhold. The Portage la Prairie base, for instance, is right on the edge of the airway at the moment, the airway being ten miles wide. There is no technical difficulty that I can see in bending the radio range so that commercial air traffic can be routed as far as 20 miles away on a dog leg around the Penhold air base. If that is the only reason for not going ahead with the jet training program at Penhold, it is a very flimsy one. I think the minister's technical advisers will tell him that what I have been suggesting—that is, bending the radio range—is very, very possible.

The Department of Transport, as I understand it, has ordered all training away from terminal areas. I would like the minister to clarify this when he replies to these remarks. My understanding of the instructions which have been issued by his department is that it is going to be the policy to get training away from terminal areas and to use secondary airports, or encourage the building of more secondary airports, and encourage private and light aircraft to use those secondary or other airports. There exists, in my view, a very serious confusion in policy here, and I think it requires clarification.

I want to get back to rates, Mr. Chairman. I think the decision to raise the rates for outside storage is particularly hard to defend. The editor of "Canadian Flight", which is the official publication of the Canadian owners and pilots association says:

> At many airports, private aircraft are allotted space on land that the D.O.T. does not use and on which no maintenance or servicing expenditures are made. In return for a 50 per cent increase in rates for use of this land, the aircraft owner is being offered no additional services or benefits of any consequence.
>
> The new tariffs will impose a greater hardship in some areas than in others. Because of a variety of factors, Vancouver seems to have been dealt the severest blow—

I am sure that hon. members on both sides of the house who come from the Vancouver area will have these facts in mind when they come to support this legislation, if they intend to so support it. This article continues:

> —with the result that a new province-wide organization of aircraft owners has sprung up, practically overnight, in order to fight this legislation.

I am sure that the new organization has made representations to the minister. There was a meeting last November in Alberta of the C.O.P.A., the Alberta aviation council and the new B.C. organization. Out of that meeting came certain resolutions with respect to these new rates. The support this new B.C. organization received was such that within a ten-day period the organization was able to finance itself, set up 13 committees and send a delegation to Ottawa. Surely the minister considers this rather convincing evidence, if any were needed, of the unpopularity of the latest Department of Transport action against private aviation.

If we read the provisions of this bill we see that most of them are designed as an invasion of what I consider should be the prerogatives of private aviation in this country. Certainly the air transport board is a very necessary organization. There is no doubt whatsoever that the highest possible standards of flight safety have to be maintained in a country such as ours, which has experienced such a rapid growth in aviation technology and use in recent years. Tragedies are going to occur. I think many people misunderstand and miscalculate the comparisons that are made between travel by air, travel by road or by any other method of transportation. I think it is very interesting, in this connection, to look at the figures. Very recently the dominion bureau of statistics drew up a comparison of accident rates of motor vehicles and aircraft. Private aircraft in Canada do not have to report the miles travelled, so these comparisons can only apply to Canadian aircraft other than those privately registered or those owned by government departments such as the departments of forestry in Ontario and Saskatchewan. In the three years 1959, 1960 and 1961 the average number of fatalities per 1 million motor vehicle road miles was 5.9, according to the bureau of statistics. For the same three year period the fatalities which occurred as a result of aircraft accidents in Canada averaged .022 per 1 million air miles. So the motto perhaps might be "Be very careful when you drive to the airport". I think these statistics testify to the level of safety which has been achieved by the commercial air industry in this country.

The air transport board and other divisions and branches of the Department of Transport which have been concerned with flight safety in this country have contributed to this very enviable record of safety in air travel in Canada. But I do not think we should confuse the desirability of encouraging the growth of safety factors in the commercial air industry in Canada with the undesirable effect produced by government agencies suppressing the growth of the private air industry. For instance, I can take one clause of the bill, clause 2, which purports to clothe

the government with the authority to stipulate the maximum hours of work and other working conditions for pilots, co-pilots, navigators and flight engineers employed by any person operating a commercial air service licensed by the air transport board. This is a very necessary thing as far as large commercial operators are concerned. They have to maintain high standards of health in pilots, co-pilots and air crews generally who are flying machines of the size and complexity of the DC-8. But I wonder how much consideration was given by the drafters of this legislation to the operator of the helicopter service who is operating, say, out of Inuvik, Dawson Creek or Prince George, or to the operator of a fixed-wing operation across the Arctic, because the regulations apply to those pilots, navigators and flight engineers as well. I do not think very much consideration was given to the small, private operator of a commercial air service in Canada, because with the seasons as short as they are in the north country, and with the exacting standards of work placed upon these operators by government departments such as the Department of Mines and Technical Surveys in their laudable desire to get work accomplished as quickly as they can, these operators are taxed to their limit.

The pilot of a helicopter carries an engineer with him wherever he is operating under contract with the Department of Mines and Technical Surveys. That engineer is on duty 24 hours a day. If there is a regulation proposed in clause 2 of the bill imposing a restricted number of flying hours on commercial pilots, it not only applies to commercial pilots flying DC-8's, if no exceptions are made, but also to operators flying a Bell helicopter in the north country, or a Cessna 180, or a Beaver, an Otter, or a Norseman in northern Ontario.

Another clause of the bill which seems to invade not only the rights of private operators of commercial air services but also involves the rights of individuals is clause 3, where a board of inquiry is going to be set up to investigate aircraft accidents. That is a very laudable feature of the bill, but nevertheless I wonder if the evidence given before such a board, as is usual in air transport board hearings or hearings involving government departments, will be made available to the general public. For instance, if I were to testify before such a board, what disposition would be made of the evidence that I give? This matter gives me some concern.

I should like to say that in my view the Canadian public has come to accept the aeroplane as a primary means of transportation. The versatility of use to which an aircraft can be put bears this out. For example, pleasure flying, flying for business purposes, for agricultural purposes, such as crop spraying and the like, are only a few of the many forms of activity which comprise our aviation industry, other than that part which most people think of in terms of T.C.A. or C.P.A., and other large air lines. All of these flying activities have become essential to our modern way of life, and aircraft owners in Canada, as I have shown from the statistics I have put before the house, are on the increase. The industry should be encouraged to grow. I think the public requires that the benefits of transportation in all its forms, including aviation, should be widely available at low cost, and with the minimum imposition of tariffs and inconvenience. The imposition of fees such as those which are going to be authorized by this bill are not going to contribute at all to the growth of private aviation in Canada. In my view they are going to retard the free use of the private aeroplane.

There is one feature the hon. member for Three Rivers mentioned a moment ago with regard to over-flights and the endeavours of the government to impose certain fees on foreign carriers flying over Canada and using Canadian facilities. As I see it, the hon. member for Three Rivers suggested that the government had abandoned its attempt to impose these fees. I hope that is the case. However, my reading of the first clause of the bill indicates to me that the government may, if it wishes, impose these very fees. As the clause reads now, it will allow the governor in council to make regulations to impose any fee or charge for the use of any facility provided by or on behalf of the minister in respect of any aircraft. Those facilities include radio ranges and non-directional beacons, as well as airports; in fact, every single facility that is provided by the Department of Transport for air navigation in this country.

Here I want to mention the policy of the department of discontinuing the use of radio ranges. Hon. members know how airplanes get from point A to point B in this country in weather conditions which do not allow one always to look at the ground. The facilities used are radio navigation facilities. The basic facility, which has been with us now for 20 years, is the air radio range station. The policy of the government now is gradually to close down these radio range stations. This is being done in a phased fashion, but I think it is a wrong decision to make. First to go in the radio range station is voice communication. Next to go is the station itself. These stations are being replaced with what are known as non-directional beacons. That is all very good for the large air services. They can operate because they have thousands and

thousands of dollars worth of radar equipment in their aeroplanes and have advanced radio aids which are being installed by the department, and very properly so. But I would again turn the minister's attention to the private aircraft industry in this country, which involves some 5,000 aeroplanes actively flying around the country which have not got this type of facility. Even if they could get it the aircraft would be too small for its installation. These aircraft are left with a diminishing number of aids to navigation. As a matter of fact, the discontinuance of these services is taking place so rapidly in Canada that the "Canada Air Pilot" cannot even keep up with them. One can pass a radio range these days and attempt to report, and the "Canada Air Pilot" has made no mention of the fact that voice communication has been discontinued at that radio range. The first thing that pilot knows is that he is reported missing because he has not reported, after having planned to report at that particular station. I am thinking in this instance of Brandon, where voice communication has been discontinued. I should like to support any move which would result in a saving of funds to the Canadian taxpayer, but I do not do so if it be inconsistent with the safety of air navigation. I very seriously question whether the government policy of discontinuing operation of radio ranges in this country is sound, because I think it is going to impair the safety of air navigation, not of the large carriers but certainly of the smaller carriers.

On the other hand, on the credit side, some of the facilities offered by the Department of Transport to the air industry in Canada are very desirable indeed; for instance, the development of ultra high-frequency equipment and the authorization of a continuous wide area of broadcasting of aviation weather over the Toronto low-frequency radio range. This is of benefit to every pilot flying in southern Ontario. I understand that this is being done on an experimental basis, and I would urge the minister to do it in other areas of Canada as well.

These facilities, as with airports, are services provided by the Canadian taxpayer. One of these taxpayers is the private aircraft user, the private aircraft owner, and it seems to me that if he has to pay for these very desirable services he is, in effect, paying double taxation. I have already made the analogy of the use of an aeroplane and air highways and the use of an automobile and ground highways. There should be no taxation of the private aircraft user any more than there should be taxation of the automobile user in the form of direct fees for the use of facilities. If airport charges are to be made—and certainly clause 1 of the bill gives this authority to the government—I see no reason why the clause could not also be extended to tax private aircraft users using radio ranges and other like facilities.

The Acting Speaker (Mr. Batten): I regret to interrupt the hon. member, but his time has expired.

Mr. T. S. Barnett (Comox-Alberni): I was interested to notice the intention of the minister, as indicated on the order paper, to introduce amendments to the Aeronautics Act. If I am not mistaken, this is the first time since 1952 that the act has been before the house for amendment. I was hopeful that the hon. gentleman would have taken advantage of the opportunity afforded by these amendments to include something in this bill to revise that section of the act which makes provision for appeals to be made to the minister from decisions of the air transport board only by the air line which happens to be immediately affected or, perhaps I should say, by the one which has applied, and not by others which might be affected. However, having given consent last night to allowing the resolution stage of this measure to pass without debate, I suppose I cannot pursue this matter further at this time and that I will have to reserve any further comments I might have to make in this connection to a later date.

I regret I was called out of the house for a short time, with the result that I missed the opening remarks made by the minister in introducing this bill. He may have answered, then, some of the questions I have in mind and which I intend to raise in the course of these observations. If that should be the case, perhaps he would just indicate to me, when he replies, that this is the situation, in which case I will consult his earlier remarks when they appear in *Hansard* tomorrow.

As I see it, one of the principal amendments contained in this bill has to do with the power of the governor in council to make charges for the use of airport and other facilities provided by the department. One question which occurs to me is this: Just what additional charges are contemplated to the users of these facilities in addition to those currently charged? What impact are these extra charges, if any, likely to have on air line fares and passengers? I must say I cannot share the thinking of the hon. member who preceded me on this aspect of the subject. If I understood him correctly, he was inclined to think no charges should be levied upon private plane operators for the use of facilities provided out of public funds. It seems to me this is an area where it

could very well be that those who use the facilities should pay for them to a reasonable extent. It is obvious that most Canadian taxpayers are not, now, and will not, at least in the foreseeable future be, in a position to fly around in their own planes. I really do not think an analogy can be drawn between the situation of a plane owner and of an automobile owner in our present society. As the owner and driver of an automobile I certainly feel I contribute substantially in the course of a year toward the operation of public facilities which enable me to drive around the country. I do not feel that an unduly high levy should be exacted from plane operators, but I feel there is some reason why they should be required to pay a reasonable amount to defray the cost of facilities provided out of public funds.

I was interested, too, in what the hon. member had to say about clause 2 of the bill which gives the governor in council authority to fix maximum hours of work and make other regulations governing the working conditions of pilots. As I understand it, this clause authorizes the making of regulations which are yet to be drafted. I fail to see how one can reasonably conclude that the hours of work and conditions of work of a pilot of a DC-8 would necessarily be those provided in the case of pilots of some of the smaller aircraft operated by the smaller commercial lines. I would like to say, however, as one who has occasion to travel not only on DC-8's but on some of these smaller aircraft, that as far as I am concerned it is the same hide which is involved whether I am travelling aboard a DC-8 or on a Norseman. I am just as concerned that the pilot of that small plane should not be endangering himself or his passengers because he is working under conditions of undue fatigue, or for other similar reasons, as I am that the captain of a DC-8 should be in good shape to do his job. The crash of a small plane might not be as spectacular as the tragic accident which took place recently, but its effects are just as unfortunate for those who happen to be passengers on the small plane. If the minister has not already done so I should like him to indicate what changes are contemplated in the present regulation with respect to the hours and working conditions of pilots, navigators and other flight personnel.

With these observations I think I will conclude, and await the reply to be given by the minister when he closes this debate. In the light of that reply I may have further questions to ask during the committee stage.

The Acting Speaker (Mr. Batten): Is the house ready for the question?

[Mr. Barnett.]

Mr. Nielsen: I should like the minister to reply to my questions, if he does not mind, and state more fully what his intentions are with respect to clause 1 of the bill in particular.

The Acting Speaker (Mr. Batten): I must advise the house that if the minister speaks now he will close the debate.

Hon. G. J. McIlraith (Minister of Transport): I am glad to reply to the remarks made by the hon. member, to the best of my ability. I would prefer, though, if it would be agreeable to him, to deal with most of the questions he raised when we reach the committee stage, because at that point I will have the officials before me and be able to give the detailed answers to the particular questions he asked.

The bill primarily clarifies the authority for making charges which are already in existence. The whole of the subject matter in this connection was brought to light by a question raised in the course of a dispute as to the right to make a charge in respect to overflights. Such charges were made under the authority of the Financial Administration Act. When one looks at the wording of that act he finds that it covers, primarily, services provided to some person and which can be charged for. The situation as it affects airports is somewhat different. The charge levied is, to some extent, a charge for services but it is also, to some extent, a charge for the provision of a facility which is available. The bill is to clarify the legal position in this respect so that there should be no doubt about it; and it is to give authority under the Aeronautics Act to make regulations on this subject that this measure has been brought forward. I think this represents a welcome improvement. I must here give my predecessor in office credit for initiating a part of the legislation, although there have been parts added since he left office.

That is the basic need. It is not a matter of imposing a series of new charges that we had not previously thought of; it is a matter of regularizing and clarifying the authority and removing any doubt as to its legal validity.

Some questions were raised as to the propriety of any charges. I think I should remind hon. members of what is a rather obvious fact. In this country, with the vast distances we have to contend with, it is obviously desirable that our airports be well maintained and made more efficient for the use for which they are intended, and that more of them be built. Perhaps at this stage of our development the need applies to the very smallest airstrips

in some of the thinly populated areas even more than in the case of the more up to date airports in the larger cities.

But surely as a principle it is desirable that charges be made for these facilities so that the moneys available to the consolidated revenue fund can be used to expand facilities, increase the number of airstrips and meet the constant demand for increase and improvement of airports, rather than cutting back on the charges and having the moneys that are available used for the service operation of the operating facilities used by certain people. I must say I find myself differing with the hon. member for the Yukon when he refers to a charge being made to aircraft operators only and tries to say they are being discriminated against.

The hon. member made reference to parking on airports and other such matters. I think a great many cities and towns in Canada today have parking meters on their streets and they are very efficient in seeing that payment is made for the use of the public roadway for parking. I cannot accept the proposition that airport parking and other facilities should be provided without charge. I think we will make much better progress in the development of our country if we make these charges and use what additional money we can provide through taxes for the expansion of facilities, whether in the form of new airstrips or the improvement of facilities.

Some question was raised about safety regulations. I do not know that it is germane to the bill, but I certainly must defend the government's decision not to use Penhold as an *ab initio* jet training base. I do not believe there is any other area in Canada where three air routes converge in such a way as they do in that immediate locality. I am frank to say I am not technically qualified in this field, and I must say I spent a great deal of time checking the reports of the technical officers very closely. I simply do not believe there is any hon. member who would concur in the establishment of an *ab initio* training base in the vicinity of these very busy air routes, particularly when one bears in mind the speed of the newest modern jet aircraft and also the larger number of persons carried in passenger aircraft. I am sure that if hon. members had had the opportunity of checking into the matter thoroughly they would feel we simply could not defend taking risks that do not require to be taken. It is bad enough to have the risks that are involved these days in modern means of transport, but to add to them in that way when there are other areas of the country available is a risk that I cannot imagine any member on either side of the house taking.

Mr. Nielsen: Would the minister permit a question?

Mr. McIlraith: Yes.

Mr. Nielsen: I do not know whether he is familiar with the situation at Portage la Prairie which is now an R.C.A.F. jet training base. Would he mind comparing Penhold with Portage la Prairie? It is true that Portage la Prairie does not have three air routes converging there, but at Portage quite a large area has been set aside well south of the air route and the air station and procedures have been developed which do not endanger the main air route which passes right over the edge of Portage and is sufficiently close to cause danger under the principle enunciated by the minister. Could not the same procedures be developed at Penhold whereby jet aircraft would be routed in such a fashion that they would be in an area free of any commercial air traffic?

Mr. McIlraith: The simple answer to the question is no. We had that situation looked into rather thoroughly because of an interview that took place recently with persons making representations respecting the Penhold base. They made the same point, and as a consequence we had it looked into particularly. The situation is different in almost every material respect. The *ab initio* jet training base at Portage does not have three air routes around. They have three sides free. There are also other differences. On practically every point that is relevant there is quite a sharp distinction to be drawn. I must say I was quite concerned about the matter when it was first raised and for that reason I had it looked into very carefully. I do not believe there are other answers I can usefully add at the moment at the second reading stage. I will answer particular questions in committee if that is agreeable.

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

On clause 1—*Charges for use of facilities or services.*

Mr. Herridge: Mr. Chairman, I want to ask the minister one question. Has this bill any application to airports owned by municipalities that have received grants for their construction and development from the federal government?

Mr. McIlraith: Perhaps I might first answer the question asked by the hon. member for Three Rivers. As I understand his question, he wanted to know how much money the crown will have to refund as a result of the decision to cancel the route facility fee by

reason of some question being raised as to its validity. The amount to be refunded is about $1 million.

A question was asked also as to the number of companies involved. Actually, because of the way the accounts are kept and the fact there are other charges credited against some of these charges, it involves some 213 separate accounts. This answer, perhaps, is not very helpful but I should point out that in a good many cases it is just a matter of checking out the accounts and very little is involved by way of refund.

Mr. Balcer: Is the purpose of the new section simply to legalize the position of the department? Is it the intention of the department to use the authority of this section to carry on the charge of $64 by way of route facility fees?

Mr. McIlraith: Yes, Mr. Speaker, it would make it possible to do this; it grants the authority. The government would have to take a decision of course to make these charges under this authority, but it does grant such authority.

I wonder if the hon. member for Kootenay West would repeat his question?

Mr. Balcer: May I just ask one last question on the same subject? Is it the intention of the department to charge the $64 from now on?

Mr. McIlraith: It has not been decided yet.

Mr. Herridge: I just wish to ask the minister this question. Has the first section of this bill any application to airports owned by municipalities which have received grants from the federal government for their construction and improvement?

Mr. McIlraith: No, it is only applicable to federally owned airports.

Mr. Nielsen: I did not mention aircraft parking fees, Mr. Chairman, as the minister thought I had. Since he has raised the subject, may I say that I do not believe aircraft parking can be compared to the parking of automobiles. This is, of course, one of the nuisances, the imposition of a fee for parking an aircraft on a D.O.T. airport. You cannot draw an analogy between an airplane and an automobile in this respect. They are just as different as night and day. In the first place, the main reason an airplane remains located on an airport is that it must have a large area of ground on which to land. Then, the aircraft, due to its design is not capable of being driven down city streets or highways. In effect, it is forced to remain at the airport. The aircraft owner has not any choice. The automobile owner has scores of alternative places in which to leave his car, but his own property is the most common place.

The average Canadian taxpayer pays for many facilities which are constructed with the use of public funds. My general plea against the provisions of section 1 of this bill is that while an individual may never expect to use these facilities to which he has contributed, it is not merely those who use the facilities who benefit from them. In this case, the general public benefits from the facilities established at airports. The D.O.T. facilities are for public benefit and the individual is free to use them whenever he has the opportunity. I could refer to such facilities as parks, bridle paths in national parks, playgrounds, museums and so on, which are operated without fees. Airports are such facilities just as much as our highways are. They are part of the public transportation system, just as much as the highways and railways are. The users of airports should no more be subjected to excess tariffs than the users of highways or railways. I would add at this point that this argument applies only to those who use the facilities of D.O.T. airports in a private capacity and not to those operating in a commercial capacity.

Private aircraft owners of this country are just as much taxpayers as any other group of taxpayers. They have, as I said, already contributed to the cost of airports. If we start imposing fees on the users of airports in this country, and not just airports but all facilities, then we are going to have to expect the authorities in the United States and Alaska will impose the same kind of fees. This will only have one result and that will be to curtail private aircraft travel between the two countries. Taken in total it imposes a restriction on the use of some 14,000 to 15,000 private airplanes.

The minister has said it is not the intention of the government to impose the $64 per hour fee on foreign users of air facilities for overflights in Canada. I hope I am correct in that assumption because that is the basis upon which the following remarks are going to be made.

Mr. McIlraith: In answer to a previous question on that point I said the matter had not yet been decided by the government, that it had not been up for decision.

Mr. Nielsen: Then, what the minister is asking the committee to do, because section 1 of the bill does not cover this aspect, is to grant authority so that it will be there in the event the government decides to use it. I think that, in itself, is a very dangerous thing to do. If the government does decide to impose a tariff on foreign air line users who use our

Canadian air facilities on overflights, then I suggest the foreign nation will impose a like tariff on Canadian aircraft using foreign facilities. I believe that was the position before the government changed. I think the minister is aware of this. If this government decides to impose this type of tariff, the United States will retaliate and so will Mexico and the other nations which have terminals used by Canadian air carriers.

I think what we should be doing is encouraging the free intercourse of commercial aviation in the world. Canada should take the lead and operate on such a basis. I do not think there is a move on the part of any other nation to impose such a fee as this tax on facilities which, in effect, are provided for safety in air navigation. This covers the use of the facilities so far as commercial air carriers are concerned. But consider for a moment the effect it would have on the users of some 8,000 private airplanes in the United States, many thousands of whom travel into this country and use our air navigation facilities. This clause would authorize the government to impose such a tariff on those users.

I have already stipulated my reasons for being generally opposed to the idea of placing a tax on facilities supplied by the department for air navigation in Canada. Here I do not speak of a tax for airport parking or a tax for landing at an airport, a tax incidentally which is already supplemented by the one cent per gallon gasoline tax, which is paid by everybody who buys a gallon of gas at an airport in Canada. But I am speaking also of the facilities in the way of radio ranges, weather services, and all the vast range of very desirable facilities provided by the department for the safety of the commercial and private air industry.

I do not think that these facilities should be taxed. The minister has left the implication with the committee that if these taxes are not imposed on the users of D.O.T. facilities, we will not be going ahead with the program for expanding our existing airports and navigation facilities. I do not think that is a valid argument. I think the government has a duty to provide these services for the benefit of all Canadians, and no particular segment of Canadians should be taxed for the purpose of paying for these facilities. The test is not who uses the facilities but who benefits from the establishment of them. My submission is that all Canadians benefit from the establishment and enlargement of these facilities, and therefore all Canadians should pay an equal amount for their construction and maintenance.

Clause 1 in the bill establishes an order in council power which would allow very far-reaching regulations to be made, with no limits to the amount of tax that could be imposed with respect to the use of these facilities. If the government wished, it could make it so difficult, in terms of exacting tariffs on private aircraft users in Canada, that they would be forced to discontinue the use of our major airports and would be forced, if you like, to use farmers' fields. That is the effect of the provision as it now stands. I am not saying the government will abuse it to that extent, but the power is there.

Mr. Barnett: Would the hon. member permit me to ask him a question. I have been trying to follow his argument, which I take it, refers to paragraph (b) of the proposed new section 3A. As I read it, the last three words say "at any airport". I fail to follow his line of argument that that included such things as radio ranges and other aids to air navigation. As I understand it, paragraph (a) would apply to facilities for an aircraft on an airport, and paragraph (b) would apply to facilities other than for an aircraft on an airport. I wonder how he relates his argument to a charge on navigational aids.

Mr. Nielsen: If the hon. member would read the whole clause he would see the effect of subclause 2 is to give the minister the power—

> —to impose upon the owners or operators, wherever resident, of any aircraft, charges for the availability during any flights of such aircraft within or outside Canada of any facility or service provided by or on behalf of the minister.

That covers every facility provided by the department, and includes radio ranges, beacons, I.L.S. systems, and every system used for navigation in Canada. I do not want to go through a list of them. There is such a wide variety of very excellent services, supplied by the department for the users of airways and air space in Canada, that it would be too lengthy to go through them all, but therein lies the very danger of giving to the minister these very wide powers for the imposition of this type of tax.

In principle it is wrong because the facilities are for the benefit of all Canadians. As such they should be paid for by all Canadians, and a particular segment of Canadians should not be taxed in addition to the taxes they already pay. Second, the minister has left the implication with the committee that the only reason the clause is being passed is to legalize something that has already been done, first of all with reference to the $64 per hour for overflights by foreign carriers, and second with respect to the fees now imposed, and

which I have mentioned, at Vancouver, Montreal and Toronto. I ask for an explanation how these fees could be imposed—and I believe they have been in effect since April or May—when this legislation is not yet passed.

For all these reasons I feel that the clause is an extremely undesirable one and gives rise to all sorts of dangerous possibilities. It stifles the growth of the private air industry in Canada, and the minister himself has said that the government has not yet made up its mind as to whether or not the hourly rate will be charged for overflights. It seems to me the power is not necessary in that regard at the moment, and so far as taxing private aircraft owners in Canada for parking, landing, and using air navigation aids, I think it is not a very good principle to establish. I therefore move, seconded by the hon. member for Grey-Bruce (Mr. Winkler):

That clause 1 of Bill No. C-117 be struck out.

Mr. Macdonald: On a point of order, Mr. Chairman, I do not think the hon. member for Grey-Bruce is here. I do not see him.

Mr. Nielsen: I am sorry. Then the hon. member for Peace River will second it.

Mr. Peters: Six o'clock.

Mr. Nielsen: No, it is not.

The Deputy Chairman: Order. The Chair in this particular case will have to consider that the amendment is not in order as it is a direct negative. Even with the clause as it is, the hon. member still has the right to vote against it, which will produce the same result.

Mr. Nielsen: Well, Mr. Chairman, I of course accept your ruling. I know I have the right to vote against it, or for it, but as I understand the rules these restrictions against members placing motions before the committee, or before the house, have only to do with increasing the amount of money expenditures which may be imposed on the treasury.

Mr. McIlraith: You cannot move a negative.

Mr. Nielsen: But there is no restriction, at least that I know of, which would prevent a member from making an attempt to reduce the expenditures on the treasury.

The Deputy Chairman: I do not want to argue with the hon. member about this ruling, but I am still of the opinion that a direct negative in this particular case could not be considered as an amendment.

Mr. Nielsen: May I call it six o'clock, Mr. Chairman.

The Deputy Chairman: Order. It being six o'clock, shall I rise, report progress, and request leave to sit again at the next sitting of the house?

Some hon. Members: Agreed.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, I would like to ask the house leader to confirm that there will be no sitting of the house tonight. Our party was agreeable to resuming at eight o'clock, but I presume that has fallen by the wayside. Would he repeat the business for tomorrow and Friday, so that it will be in the proper place in *Hansard*?

Mr. Pickersgill: Yes, Mr. Speaker. I am very regretful that it was not possible to reach agreement to sit this evening; but it was not possible. Therefore we will be adjourning until tomorrow at 2.30. Some time after that when we reach the orders of the day we will call the estimates of the Department of National Defence. If they are concluded this week, and there is still some time left, we will take other departments that have already been discussed. The departments I have in mind at the moment are the Department of Labour and the Department of Public Works.

Mr. Fane: What about the Department of Agriculture?

Mr. Pickersgill: I said, departments that had already been discussed. The Department of Northern Affairs and National Resources would also be available. It might be that the order of those departments might have to be changed because of other circumstances. I endeavoured to see my colleagues in the last few minutes but was not able to do so. That is what I have in mind at present. In any event, it is quite certain as far as the Department of National Defence is concerned.

I think perhaps hon. members will not mind my stressing the fact that unless we get some of these estimates concluded and some of the other business concluded, the prospects for prorogation before Christmas do not look too bright.

Mr. Peters: Easter would be a good target date.

It being five minutes after six o'clock the house adjourned, without question put.

HOUSE OF COMMONS

Thursday, December 5, 1963

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
5th December, 1963

Sir:

I have the honour to inform you that the Honourable J. R. Cartwright, judge of the Supreme Court of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber today, the 5th December, 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. THOMPSON—SUPPORT FOR GOVERNMENT LEGISLATIVE PROGRAM

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I rise on a question of personal privilege. A question was asked yesterday by the hon. member for Vancouver Quadra of the Prime Minister in these words:

In view of persistent rumours that an election will be called in the near future, can the Prime Minister indicate if it is his intention to call an early election?

The Prime Minister answered as follows:

Mr. Speaker, contrary to some reports that have been made, we intend to proceed with our program for this parliament, and if an election is called before the end of this parliament it will be the responsibility of those on the other side of the house.

The reference, of course, is to the opposition. If the legislative program to which the Prime Minister referred means that he intends to complete and put into legislative form those things which will permit full employment for all Canadians; introduce the Canada pension plan as agreed to by the provinces; the extension of family allowances to include student age groups; the Canadian flag and national anthem; and the redistribution program, we in the Social Credit party want to assure the Canadian people that we will not stop the government as long as it really intends to carry through to completion these highly desirable items of legislation. We do not want the government to accuse us of planning to block its legislative program.

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, I am raising a question of privilege. My point of privilege is that we should not be subjected to these phony points of privilege.

MR. CAOUETTE—INCOMPLETE ANSWER TO QUESTION ON ORDER PAPER

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, I should also like to rise on a question of privilege.

Last November 26 I put question No. 1,751 on the order paper, to which only a partial reply was given yesterday.

For instance, no reply was given to that part of the question dealing with the value of consumer goods and services produced in Canada during the last five years. Neither have I received any information concerning the value of goods and services consumed in Canada during the same period.

Mr. Speaker, I say that the manner in which the parliamentary secretary to the Minister of Trade and Commerce (Mr. Pepin) replied to my questions is further proof of the government's arrogance toward members of this house and the people of Canada.

I also submit that the minister is or should be capable of answering such questions. Otherwise, how could he determine what he calls the gross national product when he prepares his budget? If the minister is unable to answer those questions, it is not surprising that our economy is drifting, that the country is badly administered and that the government is constantly in the red.

On the other hand—

Mr. Speaker: Order.

Mr. Caouette: —if the minister knows the answers to the various parts of my question, I would ask for a reply.

[*Text*]

Mr. Speaker: Order. It is quite evident that there is no point of privilege. There is no prima facie case. This is in the nature of a complaint. If there were more supply motions I presume the hon. member could raise his complaint at that time. However, I am

advised it is possible that we will be on the estimates before very long, and if the question relates to any of the estimates under discussion the complaint can be raised at that time. I understand that today we are beginning the estimates of the Department of National Defence, and if they are finished we will then take transport, labour, public works and northern affairs, all of which should give hon. members an opportunity for raising matters of complaint, if there are any. Obviously it is altogether out of order to raise that type of complaint at this time.

RAILWAYS, AIR LINES AND SHIPPING

MOTION FOR CONCURRENCE IN SECOND REPORT OF SESSIONAL COMMITTEE

Mr. J. T. Richard (Ottawa East) presented the second report of the sessional committee on railways, air lines and shipping, and asked for unanimous consent to move that the report be concurred in.

Mr. D. M. Fisher (Port Arthur): If I may speak to this motion, Mr. Speaker, I should like to indicate that unanimous consent is not given. I believe that it is wrong that we should be reducing the quorum for this particular committee, and I wanted to make it quite clear that the motion did not have the unanimous consent of this house.

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, as I am the one who moved that the quorum be reduced from 14 to 10, I must state that we had to wait three quarters of an hour this morning before we had the required number of members so that the committee could proceed.

[*Text*]

Mr. Speaker: Order, please. The hon. member must realize by now that matters affecting committees and the proceedings before committees should be dealt with during the sessions of those committees and not brought up on the floor of the house.

Unanimous consent being refused, the motion will not be put.

PENSIONS

INVESTMENT OF RESERVE FUNDS IN PROVINCIAL OR MUNICIPAL SECURITIES

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): May I direct a question to the Prime Minister. Press reports indicate that the Minister of National Health and Welfare has suggested in British Columbia that the federal government will make an offer to the provinces that half the pension reserve fund will be used to purchase provincial or municipal securities. I wonder if the Prime Minister could tell the house if such an offer has been made to the provinces or will be made in the near future.

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, no such offer has been made in those terms. However, in the discussions which took place at the conference last week this was put forward as one way of reassuring the provinces on this matter, and dividing any surplus funds. But there were other methods put forward, too, and no definite offer in any particular terms has yet been submitted.

Hon. J. W. Monteith (Perth): As a supplementary question, does this mean that the further scheme to be put forward will be a funded scheme, rather than the plan which is indicated on the order paper at present?

Mr. Pearson: No, Mr. Speaker, there has been no change in that respect. There will be a contingency reserve and there will be an element of funding in the national plan, but it could not be looked upon as a funded plan.

Mr. Douglas: Is it not a fact that since the $10 a month to old age security pensioners will not be paid out of the fund, this will result in some accumulation of funds not previously anticipated?

Mr. Pearson: I cannot answer that question, but I will be glad to look into it.

TRANS-CANADA AIR LINES

OFFER OF SUD-AVIATION TO BUILD CARAVELLE PLANES IN CANADA

On the orders of the day:

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I wish to direct a question to the Minister of Industry and Defence Production. Has the minister received from General Puget, president of Sud-Aviation, a letter referring to the possibility of building in Canada the Caravelle aircraft that Trans-Canada Air Lines could eventually require?

[*Text*]

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, to the best of my recollection, yes.

[*Translation*]

Mr. Gregoire: Mr. Speaker, I wish to direct a supplementary question to the Minister of Industry and Defence Production. When he took that request into consideration, did he consider that it could help reduce unemployment in Canada?

[*Text*]

Mr. Drury: Mr. Speaker, naturally the representations made in the letter were taken into consideration, but I can assure the hon. member that in so far as the proposals contained in the letter were concerned in relation to their effect on unemployment in Canada, the decision of the government in respect of the purchase of aircraft would have a more beneficial effect on unemployment than those proposals.

[*Later:*]

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, may I put a supplementary question to the Minister of Transport?

In view of the contradictory statements made and of the confusion which exists in the Canadian public, does the minister intend to recommend to the cabinet the setting up of a royal commission to clear up the T.C.A. matter concerning the choice of the DC-9?

[*Text*]

Some hon. Members: Order.

Mr. Martin (Essex East): Mr. Speaker—

Mr. Speaker: Order.

Mr. Pigeon: On a point of order, I addressed a specific question to the minister and I ask the hon. gentleman to answer yes or no. That is all.

Hon. G. J. McIlraith (Minister of Transport): I am sorry if I am not as capable as I should be of hearing questions in both languages. I would prefer to take the hon. member's question as notice because I am not sure that the translation represented exactly what the hon. member meant.

Mr. Pigeon: I will put my question in English.

Mr. Speaker: Order. I think it would be very good training for the minister to read it in French.

Hon. Paul Martineau (Pontiac-Temiscamingue): I should like to ask the Minister of Transport if he agrees with Mr. McGregor's statement that future purchases of airplanes should no longer be submitted to the government for approval.

Mr. McIlraith: I do not agree with the hon. member's interpretation of what was said. I think he should take the record and read it.

Mr. Pigeon: Is it the intention of the minister to recommend that a royal commission inquire into this question?

Mr. McIlraith: No, Mr. Speaker.

Inquiries of the Ministry

LABOUR CONDITIONS

PROSPECTIVE LAY-OFFS IN CANADIAN SHIPYARDS

On the orders of the day:

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, in the absence of the Minister of Labour, I will direct my question to the right hon. Prime Minister. Could the Prime Minister inform the house of the steps taken to prevent the lay-off of 10,000 workers in Canadian shipyards, as reported a few days ago by Mr. Ted Payne, an official of the metal trades federation?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I cannot accept the premise on which that question was based, but in any event I would have to look into it, and I could not answer it at this time on orders of the day.

ADMINISTRATION OF JUSTICE

QUEBEC—ALLEGED MISCARRIAGE IN COFFIN CASE

On the orders of the day:

[*Translation*]

Mr. Auguste Choquette (Lotbiniere): Mr. Speaker, I wish to direct a question to the Minister of Justice.

In view of the fact that Mr. Jacques Hebert published a rather contentious book, where the efficiency of the judicial system of Canada is questioned, and where unkind things are said about a former minister of justice, Mr. Garson, does the present Minister of Justice intend to make a statement or to take any particular measures on that matter?

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, I read this morning in the papers the statement mentioned by my hon. friend. As I often had occasion to say to this house, it is to the provinces that the Canadian constitution grants jurisdiction in the field of justice; consequently, the provinces have the prime responsibility of maintaining law and order on their own territory. The same opinion prevailed in the Coffin case.

As for the reference to the former minister of justice, I do not think that it affects him in any way, as it was not he, but rather the solicitor general who, at the time, was responsible for that question. In any case, it is a question which does not hold today.

I thank the hon. member for Lotbiniere for having given me notice of his question and, if need be, I shall convey it to the attorney general of the province.

[*Text*]

Mr. Scott: A supplementary question, Mr. Speaker—

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I should like to put a supplementary question to the Minister of Justice. Since doubts have been cast upon the Criminal Code in this case and the code comes under federal jurisdiction, is the minister not of the opinion that the matter should be investigated?

Mr. Chevrier: Mr. Speaker, my answer is no because, notwithstanding what the hon. member for Lapointe said in the preamble to his question, the constitution specifies quite clearly that the administration of justice is under provincial jurisdiction.

[*Text*]

Mr. Scott: A supplementary question, Mr. Speaker—

Mr. Balcer: Mr. Speaker, I have a question for the Minister of Transport.

Some hon. Members: There is a supplementary question.

Mr. Reid Scott (Danforth): A supplementary question, Mr. Speaker. In view of the fact that it was a decision of the federal cabinet in declining to commute Mr. Coffin's sentence of death which resulted in his execution, does the minister still not feel there is any obligation on the federal cabinet to investigate these charges of what amounts to a conspiracy to murder Mr. Coffin?

Mr. Chevrier: Mr. Speaker, I do not think I can add anything to the answer I gave the hon. member for Lotbiniere, which I think deals amply with the situation as I understand it.

Mr. Peters: Parliament might like to hear it.

REPORTED REQUEST FOR RESIGNATION OF ONTARIO POLICE COMMISSION CHAIRMAN

On the orders of the day:

Mr. D. R. Mitchell (Sudbury): Mr. Speaker, I have a question for the Minister of Justice. Is it true that the federal Department of Justice have asked for the resignation of Judge Bruce MacDonald as chairman of the Ontario police commission? The reason I ask this is that this gentleman has been asked to visit Sudbury in the near future to comment on his report on the Sudbury police commission investigation.

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, the answer is no. On the contrary, the former government early in 1962 gave leave of absence for 18 months to His Honour Judge MacDonald to serve as chairman of the Ontario police commission. That leave expired at the end of September and I was asked for further leave, which I recommended to the governor in council on September 30. That leave was granted, and it does not expire until the end of this year. If a request is made for still further leave of absence, it will be given consideration at the time.

BRIDGES

THREE RIVERS, QUE.—REPORTED BEGINNING OF CONSTRUCTION

On the orders of the day:

Hon. Leon Balcer (Three Rivers): Mr. Speaker, my question is for the Minister of Transport. Is he aware that a bridge is being built in Three Rivers at the present time; and if so, what is he going to do about it?

Some hon. Members: Oh, oh.

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, the answer to the first question is no.

EXTERNAL AFFAIRS

INQUIRY AS TO DISCUSSION RESPECTING 12 MILE FISHING ZONE

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I have a question and I am not sure whether it should be directed to the Minister of Fisheries or the Secretary of State for External Affairs. However, as they are both in the house, having returned from their trip to Washington, I wonder if one or the other would give the house a report on the negotiations with the United States regarding the 12 mile limit and its implications for United States and Canadian fishermen.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the Minister of Fisheries and I yesterday attended in Washington the second meeting with representatives of the United States government following the announcement by the Prime Minister on June 4 last that it was the decision of the government of Canada to establish a 12 mile fishing zone to be effective some time in the month of May, 1964.

When this announcement was made following his statement of intention to the President of the United States, the Prime Minister intimated that Canada would take into consideration the historic fishing rights of certain countries, including the United States. As the United States had a very

definite interest in this matter, it was decided that the negotiations with the United States and as well other countries should be pursued. These began, my hon. friend will recall, in the month of August of this year in Ottawa.

The second meeting took place in Washington yesterday. There will be a third meeting in Ottawa some time in January, which I believe and trust will conclude this phase of discussions. I may say that the discussions yesterday marked considerable progress in the positions of the two countries. There was an acknowledgment of the position of Canada, and we have taken careful note of the position put forward by the United States in these talks. I can go no further at this time because—

Some hon. Members: Oh, oh.

Mr. Churchill: You are still standing still.

Mr. Martin (Essex East): I can go no further, as my hon. friend will understand, until these negotiations have been completed.

Mr. Crouse: A supplementary question, Mr. Speaker. Does the statement of the Secretary of State for External Affairs imply that United States fishermen will still be permitted within three miles of the coast of Canada, while Canadian fishermen must still remain 12 miles outside Canada's fishing boundaries?

Mr. Martin (Essex East): Mr. Speaker, I gather that my hon. friend is basing his question on a newspaper report. The newspaper correspondents were not present at the discussions, and I do not propose to reveal any discussions except to say that these newspaper reports do not represent the full situation.

Mr. Donald MacInnis (Cape Breton South): A supplementary question to the minister of external affairs. Is it the intention of the minister of external affairs and the Minister of Fisheries to visit Spain, Portugal, France and the U.K. before they let the house know exactly what the position is in this matter?

Mr. Martin (Essex East): Perhaps my hon. friend may not be pleased to know that there is no such intention.

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I want to direct a question to the Minister of Fisheries which is related to the matter just raised about the visit of the Secretary of State for External Affairs and the Minister of Fisheries to Washington. I would ask the Minister of Fisheries, now that we have had that answer from the Secretary of State for External Affairs, if he would tell us what really happened in Washington.

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, I have very little to add to what has been said by the Secretary of State for External Affairs except that the meeting held yesterday was most satisfactory.

DOMINION-PROVINCIAL RELATIONS

STATEMENT BY QUEBEC MINISTER RESPECTING FEDERAL CONCESSIONS

On the orders of the day:

[*Translation*]

Hon. Paul Martineau (Pontiac-Temiscamingue): Mr. Speaker, I should like to direct a question to the Prime Minister.

In view of the statement made by the Quebec minister of natural resources, Mr. Rene Levesque, to the effect that the concessions the federal government made at the last federal-provincial conference were but an appetizer and that the meal will come later, can the Prime Minister now tell the house what he intends to serve to the provinces as the main dish?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, I have no comment to make. Indeed, it would be improper for me to make any comment on a statement of that kind reported to have been made by a provincial cabinet minister.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a rather pertinent question to the Prime Minister. In view of opinions being expressed by some of the Prime Minister's associates, particularly the hon. member for Lotbiniere, can the Prime Minister tell the house whether the Queen of Canada is bilingual in the best Canadian tradition?

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker, and I am happy to say that that is in the true Canadian tradition.

TRANSPORT

WELLAND CANAL—FINANCING OF CAPITAL COST OF LOCK TWINNING

On the orders of the day:

Mr. W. H. McMillan (Welland): Mr. Speaker, I would like to direct a question to the Minister of Transport. What is the plan of the government in financing the $180 million capital cost of the lock twinning on the Welland canal?

Mr. Monteith: Replacing the tolls.

Mr. McMillan: Will any part of this amount be recovered through tolls?

Hon. G. J. McIlraith (Minister of Transport): I would like to take that question as notice, Mr. Speaker.

RICHELIEU WATERWAY—INQUIRY AS TO PROGRESS OF NEGOTIATIONS

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I wish to direct a question to the distinguished Secretary of State for External Affairs. What stage have the proceedings of the boundary waters commission reached concerning the Richelieu river canalization project? I should like a definite answer.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, in reply to the hon. member's question, I must say that last June the commission visited the Albany to Sorel area as well as the Valleyfield and Laprairie basins. In September it held its first public hearings in Canada and in the United States. The comprehensive information brought before the commission during that public inquiry is now under consideration. Of course, that information will be subject to an examination by the board in the context of its general investigation.

Mr. Pigeon: I have a supplementary question for the Secretary of State for External Affairs, Mr. Speaker. When does the minister expect that a final report will be made public?

Mr. Martin (Essex East): I could not say at this time.

[*Text*]

NORTHERN AFFAIRS

FORT CHURCHILL, MAN.—USE OF MILITARY BUILDINGS FOR INDIAN EDUCATION

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I should like to direct a question to the Minister of Northern Affairs and National Resources. I wonder whether the minister could tell the house whether his department is planning to establish school facilities for a large number of Eskimo children at the present site of the military camp at Fort Churchill.

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, this is a matter of government policy and will be announced in due course.

Mr. Simpson: A supplementary question. I wonder whether the minister would be able to indicate approximately when we might be able to get some information along those lines?

Mr. Laing: I hope very quickly, Mr. Speaker.

HAINES ROAD—STATEMENT RESPECTING MAINTENANCE DURING WINTER

On the orders of the day:

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): On Tuesday last the hon. member for Yukon asked if I would make a statement in respect of the agreement which has been reached with the state of Alaska for keeping open the Haines cut-off highway. As he knows, this originated out of the sending of a group of senior officials from various departments to study the entire communications system in that area, which is becoming so important to northwest Canada.

I wish to inform the hon. member now that a senior official of my colleague the Minister of Public Works has proceeded to Alaska and has concluded an agreement with the state of Alaska to keep open our portion of the Haines cut-off road in British Columbia this winter at a cost of $127,050 payable in United States funds, for which the state of Alaska will furnish the equipment and the operators for the tractors, snowplows and so on. The government of Canada in the person of the Minister of Public Works will be providing the supervisory personnel.

When Mr. Williams of the Department of Public Works was there he also saw the minister of highways for British Columbia, Mr. Gaglardi, who had indicated prior to September 30 that his government would contribute toward the maintenance of the highway. However, he has indicated now that he would prefer to wait until after this experimental season is over, and if the operation is successful his government will be glad to contribute in the coming years.

Mr. Erik Nielsen (Yukon): A supplementary question, Mr. Speaker. In view of what the minister has said in his announcement, am I to understand that the agreement that has been arranged has been concluded on the basis that the Canadian government is going to pay $127,050 for the rental of United States equipment and the wages of United States labour to maintain a Canadian road?

Mr. Laing: Mr. Speaker, I am rather surprised that my hon. friend, who took full credit for the success of this project some time ago, should now find fault with it. As he well knows and as I am sure many members of the house do not know, because of the particular and highly unusual nature of the geography of the area it would cost

many times more than the amount I have referred to if Canadian equipment were made available. And I want to tell him that, as I think he probably knows, this type of equipment is not available at the present time on the northwest highway system. Any alternative involving the provision of Canadian workmen or Canadian machinery for this experimental period of one year would cost us infinitely more money.

Mr. Nielsen: Mr. Speaker, I will reserve my remaining remarks for the minister's estimates.

GRAIN

INQUIRY AS TO FINAL PAYMENT OF 1962-63 CROP

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I have a question for the Minister of Trade and Commerce. Can the minister report to the house whether any final payments will be made on the 1962-63 crop year and when such payments will be forthcoming, since it is approximately six months ago that the crop year ended?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, my answer to the first question is yes; to the second, as soon as possible.

DURUM WHEAT—INQUIRY AS TO DELIVERY PROSPECTS

On the orders of the day:

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): I would like to direct a question to the Minister of Trade and Commerce. We are pleased that western hard spring wheat is moving in increasing volume, although delivery quotas are not as high as they were at this time last year. Has the minister received inquiries regarding Durum wheat, and can he give any indication of Durum delivery prospects for the remainder of this crop year?

Hon. Mitchell Sharp (Minister of Trade and Commerce): I would have to take part of that question as notice. I can assure the hon. member there has been a very active demand for Durum wheat throughout the year. However, I am not sure about delivery prospects, and I should like to take that part of his question as notice.

ROYAL CANADIAN MOUNTED POLICE

ALLEGED ASSAULT ON INDIANS IN DRIFTPILE AREA, ALBERTA

On the orders of the day:

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Minister of Justice. In view of the fact that the department has received, I believe, a petition of right filed on behalf of several Indians in the Driftpile area of my constituency in regard to an alleged assault by a member of the R.C.M.P., will the minister, in collaboration with the Minister of Citizenship and Immigration, give the most careful and exhaustive study to this matter before instructing his department as to whether a defence is to be filed?

Hon. Lionel Chevrier (Minister of Justice): I can assure the hon. member that I will, Mr. Speaker.

HEALTH AND WELFARE

TORONTO—REQUEST FOR INCREASED HOSPITAL GRANT

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have a question for the Prime Minister in the absence of the Minister of National Health and Welfare. In light of the urgent request of the metropolitan council of Toronto, and the fact that there is a critical shortage of after-treatment beds in hospitals, requiring an early start on construction, a matter which depends on the government's answer to that request, would the Prime Minister tell us now or announce shortly the policy of the government with respect to the requested increase in federal grants for hospital construction?

Right Hon. L. B. Pearson (Prime Minister): I cannot answer that question without notice, but I will be glad to take it as notice and discuss it with my colleague the minister of health and welfare, who will be in the house later today.

USE OF CHILDREN'S TEETH AS RADIOACTIVE FALL-OUT CHECK

On the orders of the day:

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, I should like to ask the minister of health and welfare a question, but in her absence I will address it to her parliamentary secretary, who may want to take it as notice. My question is based on a newspaper report in which the minister threw doubt on the efficacy of experiments being carried out at the University of Toronto, a matter reported in the Toronto *Telegram* as follows:

> The usefulness of a University of Toronto experiment on babies' teeth as a check on radioactive fallout was questioned yesterday by health minister LaMarsh.
>
> She said some broad conclusions could possibly be drawn from such an experiment but too many questions could not be answered. The university, with assistance from the Voice of Women, have appealed to parents to send in their children's baby teeth when they are removed.

Inquiries of the Ministry

Miss LaMarsh said information such as diet, parentage, where the child lived and so on were required before tests could be conclusive.

My question is, on what scientific basis does the minister question the experimental work being done at the University of Toronto?

Mr. Stanley Haidasz (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I should like to take this question as notice.

PUBLICATIONS

COMPETITION WITH CANADIAN EDITIONS OF U.S. MAGAZINES

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I want to ask the Prime Minister whether he is ready, or can tell us when he will be ready, to give us that policy announcement or statement with regard to Canadian publications as he promised, which publications are being grieviously affected, as I think he agreed, by certain kinds of competition.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I did tell my hon. friend that I hoped to be in a position to make a statement on this matter this week, but there have been certain developments which may require the postponement of that statement for a few days. I will be glad to explain those developments to the hon. gentleman.

ARTS, LETTERS AND SCIENCES

REPORTED STATEMENT BY PRIVY COUNCIL PRESIDENT RESPECTING CANADIAN NATION

On the orders of the day:

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, may I ask the President of the Privy Council a question?

Following a statement attributed by various newspapers, among which *Le Devoir* and the *Gazette*, to the President of the Privy Council does the hon. gentleman still deny the existence of two nations in Canada and reject the French Canadian nation?

Hon. Maurice Lamontagne (President of the Privy Council): Mr. Speaker, first of all I must state that I never said such a thing. It is just an inaccurate press report.

I said, rather, that the word "nation" has two very definite meanings. First of all, a political one, and, from that angle, there is, under our confederation as it exists only one Canadian nation. Then, there is a cultural meaning, and, in that respect, it is perfectly admissible to speak of a French Canadian nation.

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, may I ask a supplementary question?

Has the minister received a communication from Mr. Rene Levesque, blaming the minister for calling him a cryptoseparatist?

[*Text*]

HUMAN RIGHTS

REPORTED DISMISSAL OF INSURANCE OFFICIAL THROUGH POLITICAL DISCRIMINATION

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): May I ask the Minister of Justice whether his attention has been drawn to a report that Mr. James A. Renwick, a member of the Canadian board of the Norwich Union insurance societies has been asked to resign by the chairman, Mr. Henry Borden, because of his affiliation with the New Democratic party. I want to ask the Minister of Justice what steps the government can take to protect people in this country against political discrimination by firms owned and controlled outside Canada.

Hon. Lionel Chevrier (Minister of Justice): While I read the *Globe and Mail* rather hurriedly this morning, after several other papers, I am sorry to say that apart from having seen the picture of the person to whom the hon. member has referred I am not familiar with the details, and I will have to look at the article in order to inquire into the situation. I would think if there is any remedy it would lie in a statute passed by this house, one with which I am sure the hon. member is familiar. It is known as the bill of rights.

Mr. Reid Scott (Danforth): If in the course of his investigation the minister finds this allegation to be true, would he consider the possibility of cancelling the licence under which this company operates, in protest against this disgraceful piece of political discrimination?

NATIONAL PARKS

POSSIBLE CHANGE IN SITUATION RESPECTING LAND TENURE

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): I want to direct a question to the Minister of Northern Affairs and National Resources. It was reported in at least one Calgary newspaper that the hon. gentleman's department is anticipating abolishing the leases governing the tenure of land situated in the national parks and instituting a system of land taxes. I might add that the newspaper said the

minister himself made that statement. Would the hon. gentleman care to comment on the accuracy of that report?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): We are embarking on some studies with reference to the entire leasehold structure within the national parks.

HARBOURS

GROS CACOUNA, QUE.—INQUIRY AS TO DEVELOPMENT

On the orders of the day:

[*Translation*]

Hon. Theogene Ricard (St. Hyacinthe-Bagot): Mr. Speaker, may I direct a question to the Minister of Public Works?

Could the Minister of Public Works tell me whether an order in council has been passed to authorize the building of a deep-water harbour in Gros Cacouna?

Hon. J. P. Deschatelets (Minister of Public Works): No, Mr. Speaker, but we are giving serious consideration to that project.

Mr. Ricard: What would be the approximate date on which the minister feels he will be able to take appropriate action concerning the project?

Mr. Deschatelets: As soon as we receive reports from our engineers as regards a possible site at Riviere du Loup; then the cost will have been determined and I will be pleased to advise the house as to it.

Mr. Ricard: How can the minister say that this project will be carried out when he is not sure yet of the engineers' approval?

[*Text*]

AIRPORTS

WINNIPEG—FACILITIES FOR IN TRANSIT PASSENGERS ON INTERNATIONAL FLIGHTS

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 answer to a question on November 21 the minister said he was looking into the arrangements at the new Winnipeg airport for international air line passengers who have to stop over there between flights. Has he been able to look into this matter, and has he any report to make regarding an improvement in these arrangements?

Hon. G. J. McIlraith (Minister of Transport): Yes, I have looked into the matter and some changes have been made. I am not yet able to give a report, but I will bring forward a report for the hon. member's information.

UNITED NATIONS

PORTUGAL—CANADIAN VOTE ON RESOLUTION RESPECTING COLONIAL POLICY

On the orders of the day:

Hon. Paul Martin (Secretary of State for External Affairs): Yesterday the hon. member for Royal inquired about the relationship between my criticism of Portugal's colonial policy in my statement on November 28 and Canada's abstention in the vote on the resolution on Portuguese territories passed by the general assembly on December 3.

In an explanation of our vote in the fourth committee on Friday, November 29, the Canadian representative said that the Canadian government had strong sympathy for the aspirations of the African people in Portuguese territories and viewed with deep regret the failure of the government of Portugal to acknowledge its obligations under the charter and to apply the principle of self determination in its overseas territories.

Canada fully supports those parts of the resolution calling upon Portugal once again to co-operate with the United Nations. We do not, however, consider that the present situation warrants a recommendation for action under chapter VII of the charter which deals with situations threatening to the peace. We believe that under the charter of the United Nations this is a matter for the security council to decide.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. Would the minister agree that to express sympathy for the colonial peoples who are under Portuguese subjection and then at the same time to lack the courage to vote in condemnation of the imperialistic exploitation of these people borders on hypocrisy?

Mr. Martin (Essex East): Mr. Speaker, my hon. friend may have established in his own mind a foundation for his conclusion, but the fact is that this government, as well as the preceding government, has expressed its condemnation of certain aspects of colonial policy as practised by Portugal. The government believes, however, that it is consistent with the procedural and constitutional requirements of the charter to oppose particular policies practised by certain powers with regard to colonial administration. We believe that the future integrity and usefulness of the United Nations depends upon respect for the charter by all members of the United Nations, those that may be subject to criticism and those who feel they should level that criticism.

Mr. Korchinski: May we have that last statement in English?

Inquiries of the Ministry

STORMS

NEW BRUNSWICK—DAMAGE TO LOBSTER FISHERMEN'S GEAR

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, may I ask the Minister of Fisheries whether he has a report on the heavy storm damage to lobster fishermen's traps in southern New Brunswick over the past week end.

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, I am aware that the lobster fishermen of Grand Manan, Mace's Bay, Dipper Harbour and Chance Harbour suffered heavy loss of gear in a severe storm earlier this week. I am asking my officials to report at the earliest possible date as to the extent of the damage. I might point out to the hon. member that a fishermen's indemnity plan has been established to cover loss and damage of this nature.

Mr. Bell: A supplementary question. Inasmuch as this is the height of the lobster season, may I ask how an appeal for federal assistance should go forward?

Mr. Robichaud: I am sure the fishermen concerned are aware of the existence of the fishermen's indemnity plan, a federal insurance scheme which covers losses of lobster gear. If they have not taken advantage of this insurance which is available to them there is very little that the department can do.

Mr. Bell: Will the minister assure us that consideration of assistance will be accelerated in every possible way, inasmuch as the lobster season is just beginning in these areas?

Mr. Robichaud: If an official request is received from the fishermen concerned it will be given consideration.

MINES, FORESTS AND WATERS

INVITATION TO SECRETARY OF STATE TO APPEAR BEFORE COMMITTEE

On the orders of the day:

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I should like to direct a question to the Secretary of State. Has the Secretary of State been invited to appear at nine o'clock tomorrow morning before the standing committee on mines, forests and waters to explain the formal commitments he made to the house?

Hon. J. W. Pickersgill (Secretary of State): Frankly, sir, I do not know.

[*Later:*]

[*Translation*]

Mr. Gregoire: Mr. Speaker, I should like to ask the Secretary of State how it is, when his word is being questioned by the members of this house, he does not know today whether he has been invited to appear tomorrow before the committee where he can explain himself?

[*Text*]

Mr. Pickersgill: Mr. Speaker, I think I can explain to the committee that I am very careful in the answers I give in the house. I have not visited my office since one o'clock, and I cannot say what may have reached my office since I was last there. But I believe the committee has not met since the incident yesterday, and I do not see how I could be invited to the committee until the committee had met and decided to invite me.

Mr. Pugh: Have you ever heard of a steering committee?

[*Translation*]

Mr. Gregoire: Mr. Speaker—

[*Text*]

Mr. Speaker: Order. If it is on the same question, we have had enough.

TRADE

WHEAT—STEPS TO ENSURE DELIVERIES TO RED CHINA

On the orders of the day:

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, I should like to address this question, if I may, to the Minister of Trade and Commerce. In view of the fact that the Canadian wheat board has announced the second sale of wheat to mainland China as part of the second long term agreement, will the minister indicate to the house whether he plans calling together all those interested in the handling of grain through west coast ports in order to rebuild the co-operative efforts to achieve maximum efficiency through these ports? I ask this question, Mr. Speaker, for two reasons; first, to ensure that the permanent market now available in the Orient will not be hurt by such events as those which endangered our market to the east, and which occurred within recent months on the St. Lawrence system; second, my information is that certain bad habits that we eliminated in 1961 on the west coast are beginning to creep in again.

Hon. Mitchell Sharp (Minister of Trade and Commerce): The government is very much aware, as is the hon. gentleman, of the necessity for achieving the maximum movement of grain through the west coast, and I personally am very much aware of some of the

difficulties that have arisen recently. I can assure the hon. gentleman that we are doing everything we possibly can to achieve the necessary co-operation of the handling agencies concerned. Whether we shall follow his example I am not certain, but I can assure him, I think, that it will be just as effective.

INQUIRY AS TO MEASURES TO INCREASE EXPORTS

On the orders of the day:

Mr. Georges Valade (St. Mary): Mr. Speaker, my question is directed to the Minister of Trade and Commerce. I was tempted to call him the minister of wheat and commerce because of all the announcements he has made in the house recently. In addition to exports of oats, barley and wheat, can the Minister of Trade and Commerce inform the house what other form of exports is considered by the present government to alleviate the present slump in other areas of Canadian activity and to combat existing unemployment?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I am very happy to inform the hon. gentleman, who should already know it, that there has been a very rapid increase in Canadian exports of all kinds and this will indeed, apart altogether from exports of grain, be the greatest export year in our history.

Mr. Valade: A supplementary question. For the sake of clarity, can the minister give an example in view of what he has just said in order to illustrate his policy?

Mr. E. Nasserden (Rosthern): Mr. Speaker, does the minister not think he should have said "continuous increase"?

Mr. Sharp: I have no objection to the use of the words.

CHICKENS—REQUEST FOR PROTECTION OF CANADIAN PRODUCERS

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to address a question to the Minister of Agriculture but in his absence I will direct it to the acting minister. In view of the fact that the European economic community has imposed a very high tariff on United States chickens entering those countries, and in view of the fact that the Americans will be looking for a market for this product close to home, what steps does the government propose to take to protect Canadian chicken producers?

Hon. Rene Tremblay (Minister without Portfolio): Mr. Speaker, I will take the question as notice.

AGRICULTURE

MILK—INQUIRY AS TO PROGRAM FOR SCHOOL CHILDREN

On the orders of the day:

Mr. E. Nasserden (Rosthern): In the absence of the Minister of Agriculture I should like to direct a question to the Prime Minister. Can the Prime Minister tell us how soon legislation will be presented to parliament to provide milk for children in schools?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, I cannot give any definite information on that matter.

SUPPLY

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

DEPARTMENT OF NATIONAL DEFENCE

1. Departmental administration including authority, notwithstanding section 30 of the Financial Administration Act, and subject to allotment by the treasury board, for total commitments of $2,529,570,600 for the purposes of votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50, 55, 60 and 65 of this department regardless of the year in which such commitments will come in course of payment (of which it is estimated that $978,136,600 will come due for payment in future years) and authority to make recoverable advances under any of the said votes in respect of assistance rendered to the United Nations, any party of the North Atlantic Treaty Organization or any provincial or municipal government, $3,432,000.

Hon. Paul Hellyer (Minister of National Defence): In presenting the estimates of the Department of National Defence to the committee for the first time, I should like, at the outset, to make reference to the ministers who were responsible in recent years for presenting the estimates of the department when I myself was sitting on the other side of the chamber.

I am sure members will recall the outstanding services performed by Major-General Pearkes, now His Honour the Lieutenant Governor of British Columbia, and in the more immediate past, those of the hon. member for Calgary North.

Both of these gentlemen carried out their duties as ministers of national defence with distinction and I am sure that in so far as the hon. member for Calgary North is concerned, members will join with me in the hope that he will have an opportunity to take part in our discussions, since with his experience in office and notwithstanding any criticism he may feel obliged to make, his views on the important subject of defence will be greatly appreciated. I realize, Mr. Chairman, that normally in view of the large sums of money involved and of the significance of the subject matter, concerning as it does our national security, the house would expect a detailed

statement from me at this time. However, in so far as these estimates are concerned, special conditions apply.

In the first place, they were prepared by the previous administration, and although some changes in detail have been made, to which I will refer later, they are in concept essentially those put forward by the previous government. Second, as hon. members know, we are now in the ninth month of this fiscal year and, in consequence, a large part of the money allocated to the department has already been spent.

A third consideration, and I think a very important one, is the fact that a special committee on defence has been established by parliament and since June of this year has been actively considering various aspects of defence. The committee has received statements from the service chiefs, from the chairman of the defence research board, from myself and, in addition, has called witnesses, both in Canada and abroad, from outside the department. Minutes of the defence committee, of course, have been available to all members and I do not want to take up the time of this committee in repeating information which is already on record in those minutes. The 1963-64 estimates which you are now being asked to approve, are required to carry out our present defence obligations.

Wherever members of our forces are involved in implementing these obligations, whether it be in the Congo or the Middle East in support of the United Nations, in Europe, on the high seas on behalf of NATO, or elsewhere here at home and overseas, they are carrying out their duties in the highest traditions of those who have served in the Canadian forces throughout our history in peace and in war. I am proud, indeed honoured, to be associated with the men and women of our navy, army and air force, who I feel are second to none in the world.

The members of this house, particularly those who have visited the forces serving abroad, who have observed their work and who have had the opportunity of talking with the international commanders with whom these forces are associated, will know at first hand of the high regard in which they are held. In Europe, they have quite rightly earned the reputation as "The Elite Corps" of the NATO forces, and the same high standard applies wherever they serve, in Canada and around the world. I am sure that all members of the house would wish me to say these few words of tribute to the men and women who serve Canada so well in our armed forces.

One of the reasons for the high calibre of our forces is the training received by young officer cadets in our service colleges. As hon. members know, the Glassco commission had something to say about these colleges and, in fact, recommended closing Royal Roads. The advisory board of the colleges has carefully considered this recommendation of the commission and has submitted the opinion, with which I am heartily in accord, that the colleges are performing a necessary function having regard to the special nature of education and training required, the needs of the armed services and the current competitive situation in Canadian universities.

Royal Roads is an integral part of the Canadian service college system and the advisory board of the colleges, in expressing their views, recognized this fact. An educational institution is only as good as its teaching staff. At the end of the last academic year 56 per cent of the arts and science faculty at Royal Roads held doctorates, and this percentage will have increased to about 62 per cent by the end of the current academic year. This staff is active in research, in professional societies in Canada and abroad. Among other awards, one of the faculty was the only Canadian to receive a NATO research scholarship this year and another was the first Canadian in several years to receive a major award from the Centre National de la Recherche Scientifique. The quality of the teaching staff has been reflected in a reducing failure rate: The rate for first year students is down from 20 per cent to 17 per cent, and the record of Royal Roads students in the third year at the Royal Military College is down from 17 per cent to 11 per cent. This is a very good record of achievement, and in recognition of the importance of this establishment, I state here that I agree with the opinion of the advisory board. Therefore, Royal Roads will not be closed.

Wherever our forces are serving, it is our concern to give them adequate equipment to carry out the assignments to which they have been committed. That has been the undertaking of successive governments over the years and, in general, Canadian servicemen on active service have been furnished with such equipment. There is one area, however, which is of immediate concern: This is the requirement to convert the truck-mounted motorized units of our brigade in Europe to armoured carrier-mounted, mechanized units.

To meet this requirement, a vehicle known as the Bobcat has been under development in Canada since 1954. At that time there were no competing United States or British developments and it was hoped that successful completion of the Bobcat development would result in a wide export market for the manufactured vehicle. Now, nearly 10 years later we find that the development

of the Bobcat has not yet reached a stage where the vehicle could go into production.

The contract for the manufacture of 20 pilot-production vehicles required the contractor to subject the first carrier produced to a 2,000 mile endurance trial. The vehicle failed to complete this trial successfully. As a result, further redesign work is required so that we are now faced with the fact that, even if no further delays occur, delivery of production vehicles could not commence before late 1965 nor be completed before the spring of 1967. I might add here that the foreign produced content of the Bobcat is approximately 28 per cent of the total, and the estimated production cost per model has increased to a very considerable extent over the original estimate.

In the meantime, the M-113 armoured personnel carrier similar to the Bobcat, has been developed in the United States. The M-113 has been in service for three years and has been adopted by several of our NATO partners including Denmark, Greece, Italy and Germany, as well as a number of other countries outside NATO. From the logistic point of view, this is of considerable importance. Important too is the fact that the Bobcat would cost per unit close to double that of the M-113.

In view of all these circumstances, and bearing in mind the urgent requirement of the brigade, the government has decided to terminate work on the Bobcat program and to meet the brigade requirements by procurement of the M-113 carrier.

Parts of the M-113 for the United States production are already being manufactured by Canadian sub-contractors, and through the production sharing arrangement with the United States, further sub-contracting in Canada of a variety of equipment can be anticipated.

As hon. members, especially members of the special defence committee who are here today know, a review has been under way within the Department of National Defence to determine the best and most effective contribution we can make to the collective defence of the free world and to the maintenance of peace in the years ahead. This review is proceeding and some preliminary decisions have been made, following studies in particular fields; relating to equipment programs which, if proceeded with, would seriously limit the determination of what our policy may be in the future. With rapidly changing concepts of warfare and improvements in weapons technology, I think most hon. members will agree that such a review is not only desirable but essential.

In addition to the work we are carrying out, I am looking forward to receiving the interim report of the special committee on defence which, I understand, will be submitted to the house later this month. As I have stated previously, I expect to be in a position to table in the house a white paper on defence next year, prior to the consideration of the 1964-65 estimates.

In so far as the estimates for the current fiscal year are concerned, these, as shown in the blue book, amounted to $1,590,006,537 and I think it would be of interest to hon. members to give some breakdown of this amount in addition to the details contained in the blue book. Personnel, operating and maintenance costs account for 77.3 per cent of the total; major equipment 16.6 per cent; construction 3.1 per cent; development 1.0 per cent; mutual aid 2.0 per cent.

The ratio between maintenance and capital costs is a matter of concern which has been, and is being given serious study within the department. Our aim is to find ways and means of reducing overhead, and by cutting operations and maintenance costs, achieve a re-direction of expenditures to improve our defensive capability. This is not a simple task. It requires an intensive study of alternative ways to achieve our purpose, and careful cost-effectiveness analysis of the components of the defence programs. This is clearly a process requiring continuous and constant attention.

Without this careful attention—call it judicious pruning, if you will—our defence budget would soon top the $2 billion mark if we were to maintain our present establishment, with all its ramifications, and at the same time furnish our forces with adequate equipment and weapons. It is our intention to keep defence expenditures within reasonable bounds, without affecting the true operational effectiveness of our contribution to collective security.

Our end objective is to get the best result for each defence dollar spent. To do this, it is essential to examine critically each element of the defence program in terms of its cost and its contribution to effective defence.

Over the last several months a thorough examination has been made in a determined effort to appraise whether the dollars going into the various components of our defence organization are producing appropriate results. We have now reached a number of conclusions which will result in reductions in expenditures for maintenance of the defence establishment. This is an essential first step towards providing, in the longer run, a more effective contribution to the national security of our country from the resources that can be made available for this purpose.

These changes do not materially affect the estimates you are being asked to approve

today, as it will take time to implement them. Also, it is inevitable that there will be substantial one-time costs associated initially in the process of bringing about these changes that are designed, over the long run, to save money.

There is no way of accomplishing these worth-while re-adjustments without causing some individual and community problems. We are therefore anxious to give the maximum advance notice of changes in order to minimize these problems of re-adjustment.

Speaking first of all of the Royal Canadian Navy, our examination has shown us that costs can be reduced in some areas. The navy now operates about 160 auxiliary vessels of various kinds such as tugs, supply ships, harbour craft, and so on. We find that we can take 10 of these vessels out of service, the majority by March 31, 1964, and continue to support the operation of the fleet adequately.

We have also examined the utility aircraft squadrons on the east and west coasts and we propose to reduce these by six fixed-wing aircraft and two helicopters before the end of this fiscal year. These squadrons are engaged in support functions such as target towing, transportation of personnel and so on.

An examination of the ammunition storage depots has led us to the conclusion that the naval ammunition depot at Kamloops, British Columbia, can be closed, and the ammunition stored there re-distributed to other depots.

We propose as well to close the naval supply depot at Lynn Creek, British Columbia. This is a stores depot that has been used by the navy and also in part by the army. The functions can be re-distributed to other units with a saving in overhead costs.

The naval armament depot at Longueuil, Quebec, is to be closed as the essential functions of this depot can be carried out at the naval establishment at Ville Lasalle at a considerable saving in costs. The navy has maintained a naval repair facility at Point Edward naval base in Sydney, Nova Scotia, and this repair facility will be discontinued but the navy will continue to operate the stores depot and record centre at this location.

It is also the intention to discontinue the naval activities at Fort Pepperrell, Newfoundland. The navy has provided the housekeeping of this establishment and this has been a costly activity in terms of its present defence capabilities.

It is anticipated that most of these changes will be completed by March 31, 1964. However, it is not planned to have any of the reductions in ship repair work at the Point Edward naval base take place until after the beginning of the new fiscal year on April 1, 1964. This will ensure that operations at the naval base are gradually reduced after that date in relation to the development of alternative opportunities for employment. There will be adjustments involved for some of those now employed at this base. In order to assist, efforts will be made to organize training and re-training programs in co-operation with the provincial government wherever these will be suitable. Other measures will also be introduced as appropriate in the circumstances. These changes should produce in a full year, once they have been implemented, savings estimated at $7,750,000.

Turning to the army, an announcement has already been made regarding the transfer of the northwest highway system, effective April 1, 1964, to the Department of Public Works. At that time the Department of Public Works will assume responsibility for employment and it is expected that the majority of the present civilian employees will be retained.

Also, as I have intimated to the house, we intend to withdraw personnel from Fort Churchill, Manitoba, in 1964 at which time administrative responsibility will be taken over by other government departments.

Mr. Churchill: All army personnel?

Mr. Hellyer: All army personnel. It is expected that most of the civilian personnel, numbering 346, will be taken over by other government departments assuming responsibility for administration at Churchill. The rocket responsibility facilities at Fort Churchill will be continued. It is also intended to close the army vehicle depot at Hagersville, Ontario. Dispersal of vehicles to meet command and national survival requirements is now under way and should be completed by April, 1964. The balance of the vehicles will be moved to other army units, including London, Ontario, during the period May to October, 1964. Civilian personnel now at Hagersville will not be released until the vehicle movement program has been completed. These changes, when fully implemented, will result in an annual saving in operating costs to the army approximately $16 million.

As far as the Royal Canadian Air Force is concerned, adjustments include the withdrawal from Churchill, which I have already mentioned, and Resolute Bay, where in both cases responsibility for airfields will be transferred to the Department of Transport; the cessation of fixed-wing aircraft activities at Rockcliffe airport; the transfer of the electronic warfare unit from St. Hubert to Uplands; and the transfer of responsibility for St. Hubert airfield to the Department of Transport. These changes will be effected in the spring of 1964.

Mr. Woolliams: What about Penhold?

Mr. Hellyer: The R.C.A.F. station, Calgary and No. 10 repair depot, Calgary, will be closed as early as possible in 1964; the buildings will be declared surplus to Royal Canadian Air Force requirements. The disbandment of No. 107 search and rescue unit, Torbay, Newfoundland, and the closing of R.C.A.F. station Torbay will be completed by the spring of 1964, although the R.C.A.F. radio station will remain. The deletion of one band by the spring of 1965 has already been announced. The air photographic section of the R.C.A.F. photographic establishment, Rockcliffe, will be transferred to the Department of Mines and Technical Surveys as soon as the necessary arrangements can be made. Royal Canadian Air Force stations Vancouver, Saskatoon and Hamilton will be closed early in 1964, with the search and rescue school and composite unit, now at Vancouver, being transferred to Comox. In a full year these changes are expected to reduce operating costs by about $8 million.

A review has also been made of the requirement for the reserve forces. The reserve forces of Canada have traditionally been maintained as a mobilization base for active service formations, for providing reinforcements for regular force units, and for filling positions not required except in an emergency. In recent years they have had the added role of assisting in civil survival in the event of a nuclear attack on this country. We have looked at the reserve force organization as it now stands, with the object of determining realistically the support which reserve formations can provide in an age when combat readiness is a key-note of defence power. This has led to the conclusion that the reserve forces of all three services can be reduced from the present levels.

The reserves of the Royal Canadian Navy now comprise 21 divisions and two reserve air squadrons with a current strength of approximately 4,000. To meet those needs of the Royal Canadian Navy in an emergency which could be, we believe, satisfactorily met by reserve forces, it has been concluded that a strength of approximately 2,700 is required. As a result it is proposed to close out seven naval divisions and the two air reserve squadrons. The reserve air squadrons are located at Toronto and Victoria. The reserve divisions which are to be closed are those at Prince Rupert, Victoria, Edmonton, Regina, London, Charlottetown and Halifax. I should add that the Charlottetown division will not be closed out next year because of the centennial celebrations taking place in that province.

Mr. Churchill: Politically unsound, is it?

Mr. Hellyer: The tender at Kitchener will also be closed. It is planned to reduce the militia to a strength of approximately 30,000. The militia now has a strength of 51,000. This will necessitate a major re-organization of the militia. The militia is now organized on the basis of a very large number of units in the various army corps essentially, as I have said, based on the traditional concept of a substantial mobilization base. This organization for example includes 26 regiments of the Royal Canadian Armoured Corps, 29 field regiments, six medium regiments and a number of independent batteries of various types in the Royal Canadian Artillery, seven field regiments in the Royal Canadian Engineers, and so on. Hon. members will agree that a re-organization of this magnitude is both important and complicated and must necessarily take account of the regional interests across this country taking part in and supporting the militia. We will be appointing shortly a select group of militia officers from across Canada who will be asked to examine this problem and to make recommendations as to the way in which this re-organization should be brought about.

The R.C.A.F. maintains a reserve with a current strength of approximately 2,200. The air force, by the nature of its responsibilities, must be maintained constantly in a state of immediate readiness and there are few areas in which support from the reserves would be necessary in an emergency. It is planned to reduce the R.C.A.F. reserves to a strength of approximately 860. This will retain in the reserves six auxiliary flying squadrons and their associated wing headquarters. The auxiliary squadrons at Vancouver, Calgary, Saskatoon and Hamilton will be closed out early in 1964. The six squadrons that are being retained are located at bases which serve other R.C.A.F. purposes and the costs associated with these are consequently very much less than those at the squadrons which are to be closed.

The changes in the Royal Canadian Navy and Royal Canadian Air Force reserves are expected to result, when they have been fully taken into effect, in savings in operating costs of about $5,250,000 a year. The savings resulting from the re-organization of the militia are expected to be very considerably in excess of this, but until the details have been worked out I am not in a position to give a figure. It would, however, be of the order of magnitude of about one third of the total now spent on the militia. The total now spent is about $45 million a year. Some changes are proposed in our regular force structures. As these involve consultation with our allies I am not in a position to announce

them at this moment. They will, however, result in substantial savings of money and military personnel.

The changes I have mentioned today will result in a reduction of both military and civilian staffs. The military strength reduction will for the most part be brought about by attrition. Every effort will be made to ease the impact on civilian staffs affected to the extent that it is possible by transferring them to vacant positions in other civil establishments in the government service and including full consultation with the Department of Labour.

This year's estimates provide for an average regular force strength of 124,054; consisting of Royal Canadian Navy, 21,620; army, 50,000; Royal Canadian Air Force, 52,434. The actual strength as of September of this year was 123,246, made up of R.C.N., 21,593; army, 49,381; R.C.A.F., 52,272. The estimated average strength of civilian employees on which the estimates are based came to 43,885, which was 1,203 below the average strength in 1962-63. The current strength is 43,377.

It is the capital votes that have been largely affected in recent months. These include the cancellation of the general purpose frigate program and the decision to reduce the number of additional CF-104 dual aircraft to be procured from 24 to 16. On the other hand, preliminary funding is now included for the purchase of three *Oberon* class submarines and for the construction of storage facilities for nuclear warheads required to make effective weapons systems previously obtained. There is one other item which is not reflected in the estimates of the department, but is of some importance, and that relates to the decision of the government to increase armed services pay and allowances and the salaries of class "D" employees retroactive to October 1, 1962.

The estimated cost of these revisions for the 18-month period ending March 31, 1964, amount to just over $43 million, but since no provision was made for this expenditure in the 1963-64 defence estimates, this is being financed by means of allotments from the Department of Finance general salaries vote. In addition, there was a supplementary estimate of $827,000 for the defence research board satellite program.

In these brief remarks it has not been possible to discuss wide areas of our activities. As I stated earlier, the special committee has studied many of these at some length. My remarks today have dealt with current housekeeping changes. In each case careful thought has been given to the possible effect on future policy, and in each case it has been concluded that the proposals do not limit the range of possible policy options which might be considered by the government. I am sure hon. members will prefer to leave the policy discussion until the special committee has reported and the government has had a chance to study that report. However, if there are any specific questions which would aid hon. gentlemen in their deliberations, either the associate minister or myself will note them and provide the information requested at a later stage in the debate.

At this point I would like to pay tribute to the associate minister. On the basis of an understanding between us, he has been carrying the bulk of the administrative load in the department. He is one of the hardest working members of the administration, and without his assistance a general review of the kind we have undertaken would have been impossible. I do hope that his invaluable contribution will be fully recognized. I would not like to conclude without saying that the associate minister and I are both appreciative of the wonderful co-operation we have had from all members of the department since we took office.

Finally, may I say that it is a matter of some regret that these announcements must be made now in advance of the tabling of the white paper and the presentation of the government's defence policy. As a result an incomplete picture is available which can only be completed at a future date. Decisions had to be taken in order to permit the preparation of estimates for next year, and on careful reflection it was considered that the interests of the people affected overrode other considerations, and with this in mind, immediate announcements should be made in order to give maximum notice and opportunity for readjustment. Consequently, we have decided in favour of human considerations and followed the course which provides the maximum notice possible under the circumstances.

Mr. Churchill: Mr. Chairman, before I commence my brief remarks I wonder whether the minister would complete his answer to the question I asked him yesterday, and the answer to the question asked the Prime Minister as to whether or not the Bomarcs are now equipped with nuclear weapons.

Mr. Hellyer: Mr. Chairman, the Bomarcs are not yet equipped with nuclear weapons. I have forgotten the question asked yesterday; could I be reminded?

Mr. Churchill: The question asked yesterday was based on a newspaper article quoting informed sources in the Department of National Defence, and concerned the lopping

off of $74 million and a reduction in the armed forces of 10 per cent, and other matters like that.

Mr. Hellyer: That is a speculative story. An amount of $74 million would not be too far off the mark, by the time all of these considerations have been taken into account. The reduction in the size of the armed forces strength is speculative.

Mr. Smith: What about the reduction in the 14 radar stations?

Mr. Hellyer: I think it will be more satisfactory for me to take note of these questions and answer them later on. As I stated earlier in the session however, we have been reviewing radar establishments to determine whether some reductions can be made without affecting unduly the effectiveness of the whole system. These changes or proposed changes require consultation with our allies, and for that reason I am not in a position to make an announcement at this moment.

Mr. Simpson: May I just ask one question.

The Chairman: Order. May I bring to the attention of the committee that the minister's time has expired, so that we would need unanimous consent of the committee before questions could be asked. I understand that these questions are asked of the minister as part of his speech. I just bring this matter to the attention of the committee, as I think I should.

Mr. Simpson: I just want clarification on one matter.

The Chairman: Is it agreed?

Some hon. Members: Agreed.

Mr. Simpson: In relation to taking a look at the radar stations, does it include both the mid-Canada line and the Pine Tree line, or just the Pine Tree line?

Mr. Hellyer: The whole system has been under review, because it is interrelated.

Mr. Churchill: Mr. Chairman, I said my remarks would be brief. I say that partly for the reasons advanced by the minister, that nine twelfths of the estimates of this department for this fiscal year have already been appropriated and I expect spent; partly because these estimates were prepared by the former government and naturally we support them; and partly because the session is drawing, we hope, to a close. But in the time available to us—and I want to give plenty of opportunity to other members of the committee to speak—I want to state my disappointment at the half hour discourse of the Minister of National Defence. He had to admit that he was dealing largely with current housekeeping problems, and he said that they might have some effect on future policy. Some of them are minor housekeeping matters and some are major, but he did not indicate their effect on future policy.

I thought, Mr. Chairman, that at this stage, after eight months in office, the Minister of National Defence would have given us, as former ministers of national defence have done under similar circumstances, a statement of the policy of the government. This government was to be the government of decision, the government that was to tell us what was wrong with the past and what they were going to do for the future. Eight months have now gone by and all we get is a housekeeping account from the Minister of National Defence. I think he should turn in his housekeeping keys and hand the job over to somebody else. Surely we should have had at this stage some statement of general policy on the part of this government. We heard from these people sitting opposite us that no statements of policy were made while we were in office. I have gone to the trouble to look back and see the statements made in the past, statements published by General Pearkes in 1960 and by the hon. member for Calgary North when he was minister of national defence. Yet here we are faced with this minister who, in the course of his eight months in office, has made no statement of policy in this house on the part of this government with regard to national defence. That is a shocking neglect of duty.

A great deal was made by the minister earlier this year when the session opened in May, and again when it was resumed in the fall, about the question of nuclear arms, the so-called commitments which our government, he alleged, had entered into and how they were going to deal with these matters, and deal with them promptly. The minister has just been asked: Where are the nuclear weapons for the Bomarcs? As I say, eight months have gone by and there is nothing in position. What about the protection of Toronto and Montreal which we heard so much about last winter? They are neglected cities.

Mr. Woolliams: He said he was not aware whether he had them or not.

Mr. Churchill: We said that these Bomarc sites were intended for the protection of the strategic air component, the deterrent of the United States; and a secondary effect might be, in the case of a prolonged bomber attack, some defence for industrial areas. But members opposite said, supported by a notorious press realease from south of the border, that the Bomarcs were for the defence of Toronto

and Montreal. Now, what is the situation? Not a weapon in place, eight months after taking office. This was to be done within three weeks or six weeks. They said: "Sign an agreement; get the materials here; do not wait until a crisis is upon us; we must be ready." And here we are in a state of unpreparedness which is simply shattering, in the light of the statements made by the Minister of National Defence and by the Prime Minister in those days. Not a weapon is in place and eight months have gone by since they took office.

What about the Voodoo planes? They were to have been armed with nuclear weapons. The minister can correct me, now, if he wishes, but I say they are not armed at the moment with nuclear weapons.

Not a word from the minister. I am, therefore, correct in my statement.

These planes were to have been armed immediately so that they could play their part in the defence of the North American continent. Again, I point this out: eight months have gone by and not one step has been taken to correct this so-called deficiency.

How do we stand with regard to our air division in Europe, the force which has been called the elite among our defence forces as far as the air is concerned and I accept that description? Is it ready to take action if war should break out today or tomorrow or next week? Is one single plane of the air division ready for action? Is one single plane of that division, on the quick reaction alert station, in position, with a nuclear bomb attached to the undercarriage? Let the minister answer if one single plane is thus equipped. He will have to say, first, that the air division is not yet complete and that it will not be complete as to the total number of planes, until the spring of next year. He will have to admit he has done nothing about the squadrons which either are, or may be, stationed in France, without any nuclear equipment. And he will have to admit that the squadrons presently in Germany have no nuclear bombs available immediately for action at the present time. Eight months have gone by and nothing has been done by the Minister of National Defence in this regard.

I suggest there has been no occasion since the days of the Liberal government in 1939 when the Canadian air force has been less able to take action in war than at the present moment. Members opposite talked about unpreparedness. This is a shining example of unpreparedness, and it is typical of the Liberal regime in that period of the 'thirties, in 1939 and 1940. Here we see the same crowd, or their successors, carrying on the same attitude as was shown then. Our great air division in Europe is unable to do a thing. Last May I asked the Prime Minister how many planes were then ready for action and how many were ready in April of this year. The Prime Minister replied—and this answer will be found in *Hansard* on page 114: "Not one, because they need ammunition". I say, now, to the Prime Minister, and to the Minister of National Defence, that not one is ready today —because they need ammunition. Except for the period up to 1939 I do not know of any period in Canadian history when we have been less prepared for action in the event of an emergency. This is a shocking state of affairs.

Let me ask the minister this question: Why did he discontinue that part of the air division in Europe which was equipped with interceptor planes and which had been active for a number of years? Why did he discontinue all of this force before he was ready with the Starfighters equipped for action. He wiped them out. Only two or three weeks ago I was at Murviel in France. There was not a fighting plane in action there. This was not the case for years, previously. We had effective interceptor forces, the elite of the air force in Europe. But at the present moment there is not a fighting plane at Murviel and Starfighters elsewhere are not equipped for an active role.

The Minister of National Defence cannot excuse himself. He carries a heavy responsibility. The people of Canada are relying on his assurance that our defence forces are ready at a moment's notice to take action. But that is not the situation at the present time. As to taking effective action, we are in worse shape than we were a year ago, because the air division in Europe then was equipped with interceptors; the changeover was just commencing. Now the hon. gentleman has let the whole thing collapse and there will be a lapse of several months yet before the air division is ready to fight. Even then, unless he makes some arrangement with regard to the bases in France, he will not be able to equip a full half of that air division.

This is not good enough. We have given this government an opportunity. We have given it a chance. People have said: Let them get on with the job and demonstrate what they can do. Well, how long do they need? I suppose, a year, or a year and a half. We are to have a white paper some time in January or February. We do not know when the house will meet again. I will hazard a guess that we shall not see that white paper until late in February. Then we shall have a statement on defence policy. Perhaps.

This is not enough. The people of Canada have, up to this moment, been relying on the Minister of National Defence to provide adequate defence for this country. The people of Canada have, up to this moment, considered that our forces were now ready to fight. Well, the air division in Europe is not ready to fight, and the Bomarc sites in Canada are not ready for an emergency, and the Voodoo planes in Canada are not equipped with the nuclear missiles which the present minister said were so essential if they were to fulfil their role. How many months does the government need? Eight months have gone by. The minister has been making housekeeping arrangements—arrangements which will be subject to criticism when other hon. members speak because they, like myself, think that some of those arrangements are wrong.

The other day I asked a question of the minister with regard to Canada's role in the NATO alliance. I thought he would deal with it this afternoon, but he did not. I wanted to know whether, within the NATO alliance, we could be assured that the nations within that alliance possessing nuclear weapons, whether tactical or strategic, would not use them without the concurrence of their NATO allies. The minister said this question was improper. The Secretary of State for External Affairs gave one of his tortuous, winding answers. He started from nowhere and ended nowhere.

An hon. Member: And said nothing.

Mr. Churchill: —and said nothing that was effective in the reply. But this is a vital matter for the people of Canada. Can we be plunged into a nuclear war? Will our forces in Europe, the brigade and the air division, be plunged into a nuclear war by the unilateral action of a member of the NATO alliance, without any consultation with Canada? This question has to be cleared up. I thought this would have been one of the subjects that would have been discussed and settled at the NATO conference last May.

That is why we talked about what Canada's role is. We said: Let NATO determine what is Canada's role; and this was part of it. At that time we could not disclose this particular aspect of it publicly, but the Minister of National Defence in a speech just a few days ago publicly stated that this is a problem facing NATO, and that he could not answer our question in the house. But there the problem is, and it was there last May. What has this government done about it since? I ask the Secretary of State for External Affairs, what is he going to do at the NATO meeting which occurs this month? What is the Minister of National Defence going to do at the NATO meeting this month to settle this important problem within the NATO alliance; or are we just committed without any answer at all? Are we not to be consulted? This is a problem we have raised with the United States with regard to NORAD and our commitment in NATO. Are we or are we not to be consulted? We are allies. We should be consulted. Within NATO are we to be consulted or are we just to tag along? If somebody in NATO who has possession of nuclear weapons wants to start a nuclear war, what is our position?

These are problems that I thought the minister would deal with this afternoon, but he did not deal with policy. Again he has just given us promises that we will have a white paper and that there will be a statement of policy next spring. He has simply said: Just be good little boys and wait until we get around to it. I suggest that this is simply not good enough. The position of Minister of National Defence is of vital importance to the people of Canada, and we expect the minister to carry out his duties. He has failed and is failing to provide for Canadian defence along the lines I have pointed out. I do not know of any failure in the Department of National Defence since the second world war to equal his failure in this regard. There was a failure before the second world war, but not since.

This is a failure on the part of the Minister of National Defence and a failure on the part of the government. I am sorry the Prime Minister is otherwise engaged because he has to take full responsibility. The Prime Minister is too prone to give the reins to his cabinet ministers. They are running all over the country developing policies of their own, and there is no controlling hand from the Prime Minister's office, as there should be. The Prime Minister, the Secretary of State for External Affairs and the Minister of National Defence are the three leading ministers with regard to national defence, and the Prime Minister cannot evade his responsibility in this matter.

Depending on the developing of the debate and the time that is available, Mr. Chairman, I should like to deal later with the proposed reduction in the militia. I simply give warning now that this is one field in which I think a most serious error is being made. After a good 15 years experience in the militia I can speak with some knowledge of that organization. However, as we move along we will perhaps come to an appropriate moment when we may discuss the proposed reductions in the army establishment and I will reserve my remarks on that particular phase until that time. I conclude my remarks now at this point in our discussion with a condemnation of the unannounced policy, the non-existent policy of the present government, and the

ineffectiveness of the Minister of National Defence in performing his proper function of protecting Canada.

Mr. Winch: Mr. Chairman, after listening to the introductory remarks of the Minister of National Defence and the concluding remarks of the previous speaker I wish I had an hour in which to speak instead of only 30 minutes. May I say only one thing about the defence critic of the official opposition. I think it is too bad, in the interest of Canada and in the interest of parliament, that in condemning the government for having no defence policy after a period of eight months in office he did not explain why there was no Canadian defence policy in the years when the Conservatives were in power.

Mr. Churchill: There was a defence policy, and you know it.

Mr. Winch: There was none at all.

Mr. Churchill: Mr. Chairman, on a point of order—

Mr. Winch: If you do not mind, I have only got 30 minutes.

Mr. Churchill: You can take 30 minutes. I am raising a point of order. The hon. member has made a statement which is false and it must be corrected immediately. He says—

Mr. Douglas: Mr. Chairman, I raise a point of order. This is not a point of order that the hon. member is raising.

Mr. Churchill: Mr. Chairman, false statements made in this house must be corrected immediately.

Mr. Douglas: I raise a point of order.

Mr. Churchill: I am on a point of order now.

Mr. Douglas: Mr. Chairman, I am asking for a ruling.

The Chairman: Perhaps we should hear the hon. member for Winnipeg South Centre first.

Mr. Churchill: False statements made in this house must be corrected. They must be withdrawn if they are false. The hon. member's statement is false, because defence policy was announced and published by our government. Here are copies of our defence policy as announced in 1959, 1960 and again in 1961.

Mr. Winch: Mr. Chairman, it was my intention to follow through by saying that Canada has never had a defence policy.

Mr. Churchill: That is nonsense.

Mr. MacEwan: That you agree with.

Mr. Woolliams: If anyone had listened to you back in the 'thirties we would have had no policy.

[Mr. Churchill.]

Mr. Winch: Mr. Chairman, I hope you are taking note of the interruptions so that I will not lose any of my 30 minutes. I hope that in some ways I may be considered a little bit different from the previous speaker.

An hon. Member: You are.

Mr. Winch: I would have liked to have longer time to speak than I am allowed. I want to say at once that although I sit in the opposition I think there are two grounds on which the government and the Minister of National Defence should be commended. The first is that for this subject, a most important one to parliament and to Canada, two consecutive days have been allocated for the discussion of these estimates. Second, although there are other points on which we may criticize the minister, I think we should commend him for having the courage after eight months in office to make announcements on these estimates regarding housekeeping which should have been made a long time ago, and which if it had been done before would have saved millions of dollars of the Canadian taxpayers' money.

An hon. Member: It is only peanuts for them.

Mr. Winch: My hon. friend says "peanuts", but it runs into millions of dollars. I am prepared to commend the minister for his courage in announcing the housekeeping arrangements which he has under contemplation.

It is impossible in the time allotted to me to comment on all the various aspects of defence raised by the minister. I shall have to proceed, therefore, as speedily as possible with what I had in mind, and which I believe deals with defence policy.

In that connection I must say first of all, as is well known, there are 24 members of this house who are members of the special committee on defence. We have been meeting since last June, sometimes in camera, not only here in Ottawa but also in Colorado Springs and in Europe. Whenever we had a special meeting in camera the chairman of the committee always opened the in camera meeting with one statement, that we could always use the information as long as it was not attributed to the particular source. I want to make that clear because in discussing defence policy one must use some information.

I want to say, and I say it on behalf of the New Democratic party, that in our estimation there has never been a Canadian defence policy under any government in peacetime which took into consideration the part that Canada could or should most efficiently play in the military world on behalf of the democratic countries. I want to go even beyond that, Mr. Chairman, and say that we strongly feel that

the defence policies of all governments in the past in peacetime have been governed by political expediencies and economic pressures, rather than by an understanding of the part that Canada could or should play. To that, sir, I add my third point, that Canadian defence policy has been based on misinformation supplied by civilian and military authorities, not only in Canada but in NATO and in SHAPE. This is something of vital concern to Canada.

I only want to give one illustration of what I mean by "misinformation". Over the past few weeks many of us in this house have been hearing how policy in Canada, NATO, SHAPE and various countries, is based on the Soviet threat, on the fact that within a matter of weeks the Soviets could have between 165 and 174 divisions in the field. Right up until November 23, we in the defence committee of this house were being told that by civilian and military authorities. However, we find that on November 18, while SHAPE or other ministers were giving us that information, the United States secretary of defence, Robert McNamara made a statement in New York. I am not quoting from a newspaper; I am quoting from a copy supplied by the United States information service, supplied to me by the embassy here in Ottawa. What is this statement? I quote:

> Recent intensive investigation has shown that the number of active Soviet divisions that are maintained at manning levels anywhere close to combat readiness is less than half of the 165 and the 175.

We have the United States secretary of defence making a statement like this on November 18, and one week earlier and later we were being told by the military people in Europe that it is 165 to 170. You understand now why I say I am afraid there is flim-flam, balderdash and misleading statements being given to the members of NATO, SHAPE and Canada.

I should like also to raise a matter which I believe is of major importance to all members of this house. I am not going to do this on a partisan basis; but, I am going to remind all members that in the early days of this session there were many counterchallenges and charges between the Prime Minister of today and the Leader of the Opposition of today, as to whether or not Canada had made a commitment on nuclear warheads and nuclear weapons. In recent weeks I think we have found the answer. Both are right and both are wrong. The information is now available and it can be found on the records of our special committee, to the effect that the NATO council has never at any time discussed what a commitment is as it concerns the 15 member nations of NATO. I quote the answer, because I asked the question:

> A commitment starts with plans submitted by military authorities to governments. Ministerial meetings give approval. This constitutes a commitment, but is not a binding contract. The exact meaning of a commitment has never yet been discussed in the NATO council.

I think that information should have been given to this house in the early days of the discussion at this session as to whether or not Canada was committed by a binding contract to nuclear weapons and to nuclear warheads. I should like to put a question in this way. It is time for honesty in Canada, NATO and SHAPE as to what defence policy is in Europe, what defence policy is in Canada. May I just remind the members of this house that we are in NATO. We have 6,500, approximately, in our brigade and we have 6,500 in our air force. In the last five years we have paid, for these 13,000 armed personnel under NATO in Europe, no less than $350 million a year and as high as $436 million—that is for these 13,000 active Canadian personnel. Why is this so? It is my belief that it is mostly from a psychological point of view. However, they are there.

They are called the elite, and I believe it. Everybody told us how wonderful and, sir, if you want to check the report you will find it complete. I cannot mention names, but included are NATO, SHAPE, and our own representative. I will just give one quotation, "It is conceivably true that Canadian forces in Europe are short on mobility." You find in the records from NATO and SHAPE over-emphasis on nuclear tactical weapons and under-emphasis on conventional.

You will find, sir, if you check the record, and it is an official record, that Canada is in a strange situation. We have 6,500 men in a brigade which is not mobile. I ask why?

I was at the NATO meeting in 1961 and was a member of the scientific and technical committee. We put forward a unanimous recommendation that we all get together and stop wasting money on duplication of research and production. Some 24 of us were in Europe two weeks ago, and we were told on the highest authority that in many cases, in the absence of political expediency and economic pressure, military equipment could be produced for less than one third of what NATO had to pay for its military equipment.

This brings us to the situation in Canada where we have got to face it too, politically and economically, whether we are interested in a Canadian defence policy and Canadian defence purchases, or whether we are interested in political and economic pressures, and to hell with what it costs the taxpayers of Canada. If we in Canada are not prepared

to face up to that issue, how do we expect that the NATO council is going to face up to it?

We in this party continuously and consistently have opposed Canada becoming a part of a nuclear club, with the acquisition of nuclear weapons and nuclear warheads. Anyone who reads the entire text of the speech made by secretary of defence Robert S. McNamara, on November 18 in New York, will find paragraph after paragraph of evidence of the need for building up conventional forces, highly mobile, and he also made a most important statement to the effect that he does not anticipate a war will break out in Europe.

War might break out in African or Asian countries, and if it does then comes the need, not for a NATO force with nuclear, tactical weapons, but for highly trained, fully mobile forces, which will answer one request, that is, the suppression of brushfire wars throughout the world; and this can only come under the United Nations.

I see my time is drawing to a close, so in conclusion I wish to say I regret we have not seen any publicity in our Canadian press during the past year concerning the fact that three Scandinavian countries have got together and have reached agreement on highly trained, mobile forces to be placed at the disposal of the United Nations as a police force for the world. Only three days ago I found out that in two of these Scandinavian countries this policy is going to be referred to their parliaments for adoption, following which an official offer will be made to the United Nations.

Surely Canada should have given the lead in this regard? Even though we are late now, I believe we should get together with these three Scandinavian countries who have this enlightenment and understanding, and then have a real Canadian defence policy that will enable us to play our part on behalf of maintaining peace throughout the world. This demands that we have an idealistic and factual Canadian defence policy so we can play our proper role for the peace of the world.

Mr. Patterson: Mr. Chairman, I welcome the opportunity of participating in the debate on the estimates of the Department of National Defence. There is an increasing interest in the importance of this subject, and this is both healthy and understandable when viewed from a number of points; first, the tremendous amount of money involved in the carrying through of the responsibilities of the department, second, the fact that it involves the welfare of thousands of Canadian servicemen and servicewomen and, third, it is something that has to do with the very survival of Canada and the free world.

At the beginning of my remarks I would like to refer to the statement made by the Minister of National Defence, which has been characterized as a housekeeping report. I believe it does indicate the fact that serious attention has been given to a number of items, sometimes of lesser or greater significance, but items that should receive attention. With regard to the statement made by the spokesman of the official opposition that he expected the minister to make a statement of government policy, may I point out that the minister has been considerably kicked around in past weeks because of the fact that he has been anticipating the report of the special committee on defence. Therefore it is rather unusual that on an occasion like this he should be criticized if he fails to come out and make definite defence policy statements.

I prefer to confine my remarks to general statements because I do not want to anticipate the report that will be brought in by the defence committee, of which I have the privilege and honour to be a member. There is widespread questioning of the adequacy of our defence program, and I believe a general feeling that we are not getting our money's worth as far as this essential program is concerned. While sympathizing with the minister and his officials in the task of trying to plan effectively in a field where changes are so rapid and far reaching, we hope the minister's program of rethinking and reviewing defence policy will result in some basic and much needed dynamic reforms.

A statement appeared in a periodical some time ago. I am not going to quote it because unfortunately it was just a sheet taken out of a periodical and I have not on the sheet the name of the periodical or the date. But it was very critical of the defence department because, instead of getting down to it and facing realistically the problems of the present day this article suggests the department is made up of those who are writing or rewriting United States and British defence reports. If that has been true in the past, and if it is true today, then surely we must come to the point of recognizing the need for a new look at and a facing up to the changing situations that exist in this particular field.

The Minister of National Defence himself was apparently very unhappy with certain aspects of the defence program. He called attention to the fact that as far as our NATO commitments and our forces overseas are concerned he was not satisfied that we were

in a position to discharge effectively the tasks to which we have been committed. I think one of the most significant moves to meet the situations in the realm of defence was pointed up in the appointments of the special parliamentary committee on defence. We are very happy about this; it was something we had anticipated, and the leader of our group suggested that this particular defence committee be set up. It is a matter of record that we presented this suggestion in certain campaigns. We were therefore very happy that the Prime Minister saw fit to introduce legislation setting up this defence committee, because I believe it has fulfilled and will fulfil a very important task in this particular field of activity and study.

I believe there are several aspects of our defence program that must be covered and will be covered by the inquiries conducted by the defence committee. I know that sceptics belittled the proposal, and in fact I remember one of my opponents pointing out that it was inconceivable that a group of politicians would be able to sit down and work out, in a spirit of harmony and co-operation, a policy that was adequate for Canadian needs and present day conditions. I think the activities of this committee have indicated that it is possible for a committee to work in this particular way, and as we look back over the work of the committee I believe it will prove eminently worth while in the setting up of proposals relative to national defence. As has been pointed out by other speakers, we have made a number of inquiries here in Canada. Our inquiries have also taken us to Colorado Springs and North Bay, and we have had a great many sittings right here in Ottawa. We spent two weeks overseas visiting defence establishments, listening to briefings by government leaders of the various nations comprising NATO, and we have been briefed by the military authorities of those nations as well as by the leaders of the collective defence organizations of the free world.

The work of this committee is still incomplete; there is still a great deal to be done. But I believe, as I have said, it will accomplish a great deal in the setting out of worth-while guide lines for the minister's information as he endeavours to set a course with regard to national defence for this country. One of the encouraging aspects of the work of the committee was, I might say, the complete absence of political partisanship. I am hoping this particular attitude will prevail not only as far as the committee is concerned but as far as parliament is concerned as we endeavour to set out what we believe to be adequate defence policy for this country. I have said before, and I say again, that this is too important an issue to be dealt with in the political, partisan arena. This was kept in mind in the setting up of the committee. The view was that it could be lifted above political partisanship and we could arrive collectively at some policy that would be adequate to meet the need in this field.

I would suggest it is highly improbable that the government, having had this committee set up, would consider lightly or would ignore the recommendations that without question will be forthcoming. As has been stated, the work of this committee has been carried on conscientiously and diligently with an almost complete lack of political consideration. We are expecting the government in turn to accept the recommendations that are given, in the spirit in which they have been formulated and will be formulated, and will give very careful consideration to those recommendations that will be forthcoming.

I have promoted among the members of the committee, and perhaps among the public generally, the idea that the committee work should not be confined to just this one particular session but should become something more permanent, in order that the valuable information secured and the work carried out will be able to assume a degree of continuity that will be of assistance to the minister and his department in this vital field.

Canada's defence policy must cover three very important areas; first of all, our own national territory—and what a stupendous task this is.

The Deputy Chairman: Order. 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 pursuant to section 3 of standing order 15.

The Acting Speaker (Mr. Batten): It being five o'clock p.m. the house will now proceed to the consideration of private members' business as listed on today's order paper, namely notices of motions for papers.

MOTIONS FOR PAPERS

CORRESPONDENCE WITH U.S. RESPECTING UNION TRUSTEESHIP

The house resumed, from Thursday, October 31, consideration of the motion of Mr. Martineau:

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all telegrams, correspondence, communications and other documents and replies thereto between the government of the United States of America, or any of its departments, and

the government of Canada, or any of its departments, concerning the great lakes shipping situation and the proposed trusteeship of Canadian maritime unions since the 6th of July 1963.

Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice): Mr. Speaker, in the wink of an eye or the brief flash of a second in which I had the opportunity to speak when this matter was first brought up for discussion some weeks ago I indicated to the house that I should like to enter into a discussion of the principles involved in connection with the production of diplomatic correspondence such as that called for by the notice of motion presently before the house. I also indicated that I should like to make specific reference to certain precedents which had been cited to the house, and make a few observations on parliamentary practice in general. The position I should like to take is not exclusively related to the particular correspondence or the particular diplomatic negotiations between Canada and the United States concerning the great lakes; it is related to the status of diplomatic correspondence generally.

My first argument is that a compulsory revelation of diplomatic correspondence in response to a private member's notice of motion for production of papers would have an adverse effect on the good conduct of Canada's diplomatic relations. My position would be that not only would such a motion embarrass Canadian diplomats and the Department of External Affairs in its negotiations with foreign parties, but it would have an adverse effect on the country as a whole.

The first argument to which I would direct your attention, Mr. Speaker, is the fact that above all it is desirable to have complete candour of discussion in diplomatic intercourse and correspondence. Indeed, if the art of diplomacy and the conduct of diplomats have been the subject of any criticism in this century it is because in the public's eye, at least, there has been a lack of candour. I suggest that it is desirable, in international negotiations and relations generally, that the diplomats representing various nations be able to deal with each other with the same candour as any two contracting parties in a commercial transaction—perhaps even with a greater degree of candour if that is possible.

At the same time I would point out that the private candour which diplomats might show in such negotiations between themselves may frequently be too blunt for public discussion. What I mean to suggest is that the field of discussion between diplomats may prove to be too strong meat if it is to be unreservedly placed before the public. Direct embarrassment in international diplomacy might result if at any particular time negotiations with foreign parties or, extending the principle even further, discussions between the foreign offices of two particular nations, should at any time be forcibly revealed to public gaze under the compulsion of a motion such as this. I think the reasons for that are quite clear to all hon. members. I think it is quite clear that the publication of communications from a foreign country to this country, and this country's replies to such communications, and vice versa, may well embarrass the foreign country concerned in its dealings with its own citizens.

I do not think it requires much by way of example to indicate that there may be times when a foreign government might be prepared to discuss a particular position, or a particular move or treaty, for which it might not have prepared its own subjects. The compulsory disclosure of such negotiations, or even the suggestion that that particular country should make such correspondence available for its own citizens, might well result in a political storm in the country concerned. Equally, I submit that undue exposure of diplomatic correspondence might embarrass such foreign country in its dealings with third parties or its allies.

May I take an extreme example merely for purposes of illustration and remind hon. members of the adverse effect to the country concerned of the accidental disclosure of the Zimmerman telegram in 1917, which, perhaps more than any single incident in that particular spring, became a direct factor resulting in a state of war between the kingdom of Germany and the United States. It is quite clear that, as in the case of the Zimmerman telegram, if communications between party A and party B which make reference to their relations with party C are forced out onto the open, a step which the hon. member for Pontiac-Temiscamingue (Mr. Martineau) is taking in moving a motion such as this—although I am not suggesting here that any third parties are involved—then, embarrassment, although not on the scale of that resulting from the disclosure of the Zimmerman telegram but which nevertheless would be considerable, could injure the foreign country concerned in its dealings with other contracting parties and allies.

Mr. Scott: Would the hon. member permit a question?

Mr. Macdonald: Certainly.

Mr. Scott: Is he suggesting that disclosure of the papers in question would prove highly embarrassing to the United States?

Mr. Macdonald: I am talking in terms of the general principle that the disclosure of

diplomatic correspondence might prove highly embarrassing to any country involved in diplomatic negotiations with Canada. Therefore, I point out to hon. members to whom this fairly obvious fact does not seem to have occurred, that motions of this kind, which would provide essentially the means of forcing into the public record these particular communications, would have the inevitable result of making foreign powers less candid in their dealings with this country as well as in their international negotiations. We are fortunate internationally in having a great many allies; there is a very friendly demeanour toward Canada in international circles. It would therefore be a great pity if those friendly relations were to be put in jeopardy, and the candour one would expect from friendly nations prejudiced, as a result of action taken by members of this parliament to disclose to the public diplomatic negotiations which might thereby result in embarrassment to the particular country involved.

Nor, I suggest, contrary to what some hon. members have indicated, is this a matter, as it is with regard to the provinces, of merely asking for foreign consent to the disclosure of these documents. I know that on occasions it has been done, but I believe even this procedure entails distinct diplomatic disadvantages which could inconvenience Canada in its foreign relations. For one thing, the mere act of withholding consent by a foreign power could be misconstrued and result in suspicion as to the motives for withholding that consent. It could, indeed, result in suspicions which might go far beyond the merits of the particular question involved. These are reasons, I submit, why the house should continue to recognize the long established principle that confidential diplomatic correspondence should not be made available in response to motions of this kind.

I should like to refer in this connection to the views of an outstanding foreign diplomat, Mr. Jules Cambon, a distinguished member of the French academy in his monograph "The Diplomatist". He observes at page 27 of the English version:

> Last of all, a negotiator must observe discretion, and indeed it is no more than his bounden duty to do so, not only for the sake of his chief but of his fellow-negotiator as well. Negotiations partake of the nature of a conversation, and neither of the principals is at liberty to make even the smallest disclosure without a grave dereliction of duty towards the other. You can make things very awkward for your opponent by showing up his hesitations, his offers, and his various twists and turns; but you will often defeat your own ends by doing so and almost certainly ensure the breakdown of negotiations.

Mr. Martineau: May I ask the hon. member a question? What does he think of the impact on the discussions when one of the negotiators issues statements to the press on the very subject which is being discussed?

Mr. Macdonald: I am prepared to agree that from time to time international relations are certainly not helped by actions such as that, but I would remind him, as I was tempted to do while he was advancing the same proposition earlier, that two wrongs in this regard do not make one right. If it is felt that the other contracting party is in dereliction of duty, matters are not necessarily improved by engaging in a similar practice oneself. But, to continue the quotation, this time from page 29:

> As, however, human nature never changes, mischievous interference in negotiations on the part of intriguers can never altogether be avoided: it is they who by bruiting abroad whatever information they succeed in obtaining—

Mr. Martineau: On a point of order, I wonder whether the hon. member would get down to the subject matter of the motion. As was pointed out by the Secretary of State for External Affairs when this matter was debated on October 31, the scope of the debate is very limited. So far, the hon. member has been engaging in generalities far removed from the subject matter and I think he should return to the subject under discussion.

Mr. Macdonald: It was evident to those who were in the house when the hon. member originally made his presentation that he was not very clear on the question of relevancy, and his intervention now makes this lack of clarity even more apparent. We are discussing the principle whether or not diplomatic correspondence should be made available to the house and whether it is in the public interest to do so. In the course of considering this matter I am putting on record statements made by a distinguished member of the diplomatic profession establishing the fact that great embarrassment in international negotiations could arise as a result of anything which is done to make negotiations public. I was referring to intriguers, Mr. Speaker.

Mr. Martineau: I wonder, Mr. Speaker, whether you would follow your own ruling of October 31 and ask the hon. member who now has the floor to return to the subject matter.

Mr. Gray: May I speak to the point of order? I suggest the point raised by the hon. gentleman is not well taken. I believe my hon. friend from Rosedale is addressing himself to the subject matter of the motion in attempting to answer the arguments put forward by the hon. member for Pontiac-Temiscamingue in favour of these documents being produced. All that the hon. member for Pon-

tiac-Temiscamingue is doing is this: he is complaining about the manner in which my hon. friend from Rosedale is making his argument. I do not think that is a valid point of order. Unless he transgresses the rules I do not think the hon. member for Pontiac-Temiscamingue can complain about the particular type of approach—

An hon. Member: The hon. member for Chapleau.

Mr. Gray: The hon. member for Chapleau?—no, the hon. member for Pontiac-Temiscamingue. My apologies to the hon. member for not properly citing the name of his riding. One of my hon. friends whispered in my ear. I apologize to the hon. member for Chapleau, for putting another member in his place. I am sorry my colleague whispered.

To return to the point of order. I do not believe it is valid to complain about the particular approach made by an hon. member toward the subject under discussion, as long as it remains within the bounds of the subject matter of the motion. If the hon. member for Pontiac-Temiscamingue finds the arguments of the hon. member for Rosedale to be painful, or unhelpful to his own contention, it is not proper for him to complain about them by raising a point of order.

The Acting Speaker (Mr. Batten): Order. I think the house recognizes that ever since this procedure was admitted the Chair has taken the view that the resulting debate must take place within very narrow limits. The only thing we are discussing here at the moment is whether or not the documents mentioned in this motion should be tabled. At the moment I am inclined to agree that the hon. member for Rosedale is not too far out of order, because he is explaining why, in his view, diplomatic papers should not be made public. But I would advise the hon. member to remain as closely as he can within the limits of this particular type of debate.

Mr. Macdonald: Thank you very much, Mr. Speaker. I thank my hon. friend from Essex West for the opportunity of putting some of these principles before the hon. member for Pontiac-Temiscamingue who appears never to have heard of them before. But to continue my quotation—we are referring to intriguers:

> It is they who by bruiting abroad whatever information they succeed in obtaining undermine the authority of those in charge of the negotiations and impugn the good faith of the government they claim to be serving.

I am submitting that it would be against the interest of the Canadian government to hamper Canadian diplomatic negotiations by accepting a motion of the type put forward by the hon. gentleman. I should like to refer to a number of outstanding authorities who would support this proposition. I suggest, in particular, that the proper view of these circumstances is that the executive, in other words, the government, must retain the power to decide in any particular case whether confidential documents such as these would, if revealed, result in harm being done to the public interest. If the government does so decide, then the house should recognize the need for taking such a decision and the issue should not be pressed. In support of this contention I should like to refer to the second edition of Todd on Parliamentary Government in England. As hon. members will recall, the learned author was the distinguished librarian of the parliamentary library of this house. He observes, at page 356:

> It is unquestionably of immense advantage to the country that the diplomatic transactions and proceedings of government abroad should be freely communicated to parliament. . . .But a certain amount of discretion must always be allowed to the government in respect to communicating or withholding documents and official correspondence which may be asked for by either house of parliament. While it is necessary that parliament should be informed of all matters which are essential to explain or defend the policy of government, it is equally necessary that a minister should be able, upon his own responsibility, to withhold from the public such information as he may judge could not be afforded without detriment to the public service. Ministers are sometimes obliged to give "extracts" only from official papers, in certain cases; but parliament is bound to receive what is communicated upon the faith and credit of the administration in whom their general confidence is reposed, unless they are prepared to question the personal integrity of ministers, or to pronounce a verdict of censure upon their public conduct.

And continuing later:

> Thus, it is generally inexpedient, and highly impolitic, to communicate to parliament papers concerning diplomatic negotiations which are still pending; and "nothing is more prejudicial to the action and efficiency of the diplomatic service than the perpetual motions for the production of papers, which are made by a certain class of politicians", who insist upon the fullest information on questions of foreign policy, at unseasonable times.

Then, at page 359:

> Any attempt to coerce the government into producing to parliament all the papers they may possess upon a matter of foreign policy, without regard to their being confidential, or unsuitable for general publication, could only result in compelling the agents of government to have recourse to "private correspondence" for the communication of everything but mere ordinary information. This would occasion not only immediate public loss, but also permanent injury to the state.

I would also point out—

The Acting Speaker (Mr. Batten): Order. I regret I must interrupt the hon. member for Rosedale, but the time allotted to him has expired.

Mr. Macdonald: I wonder whether I could seek unanimous consent to continue.

Some hon. Members: No.

Some hon. Members: Yes.

Mr. MacEwan: Seek and ye shall not find.

Mr. H. E. Gray (Essex West): Mr. Speaker, I am happy to have the privilege at this time to rise for the purpose of putting forward reasons for the consideration of my colleagues why this motion should not be adopted. As a month has elapsed since the motion was last considered I think it would be useful at this time to read it again. It is in these words:

> That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all telegrams, correspondence, communications and other documents and replies thereto between the government of the United States of America, or any of its departments, and the government of Canada, or any of its departments, concerning the great lakes shipping situation and the proposed trusteeship of Canadian maritime unions since the 6th of July, 1963.

When the hon. member proposed this motion some weeks ago he raised certain arguments in support of its passage. I should like to take this opportunity to comment on them briefly. First, the hon. member referred to certain press reports of comments of officials of the United States government on the issue then concerning the two countries, the United States and Canada. I gathered that he in effect said that, by reason of these officials making these comments to the press, in a sense the privilege ordinarily attached to such documents might be considered to be waived and there was therefore no grounds for withholding the documents from the house on the basis of the arguments of lack of consent, in effect, of the neighbouring government of the United States, and of public policy.

May I suggest to the house that there was no suggestion in the press reports or, more important, in the arguments put forward by the hon. member that the words of these United States officials were in any way quotations or summaries of any of the documents which the hon. member seeks to have produced through his motion. I have read his remarks with some care, looking for some evidence contained in them that the references he made to quotations from the press and, in fact, words of ministers of the crown in this house with respect to these comments were in a sense quotations or extracts made by these officials from documents of the United States government or any of its departments or instrumentalities. Certainly in the remarks of the hon. member on the last occasion this motion was debated we find no such evidence.

I think the principles to be applied here are basically two. One arises out of the fact that the correspondence, tabling of which is requested, has passed between two governments, our own and that of the United States of America. The other is linked to the question of public policy and the public interest. I think the hon. member for Rosedale (Mr. Macdonald) has brought forward some valuable and useful precedents to indicate the problems that arise when documents are exchanged in the course of diplomatic negotiations between two sovereign states. I think it is clear that it would certainly be most inappropriate, if the other sovereign state in question should not indicate its consent or desire for the tabling of the documents in question, for this house to pass a motion which would in effect compel the government to table the particular documents. We have no indication that the government of the United States of America would be in the least way willing to have these documents brought before us.

I think the hon. member for Rosedale put before us quite a useful point in directing our attention to the fact that a new and in this case quite unnecessary cause of potential conflict between our two countries might be created, if it should happen that a motion of this type were passed compelling the government to produce the documents in question at a time when the necessary consent of the government of the United States had not been obtained, a consent which they might well consider to be most necessary involving as it does correspondence, documents, state papers, which in their view of the public interest, not only of their own country but the general mutual interest, are such that it would be better that the documents in question not be produced.

In the attempt of the hon. member for Pontiac-Temiscamingue (Mr. Martineau) to bring before us some precedent he referred to the fact that on occasion international air agreements have been tabled in the house. He attempted to show that since these agreements were between two countries, the United States and Canada, and were documents involving two nations, and since they were tabled, this in effect created a precedent for the passing of the motion compelling the tabling of the documents which the hon. member seeks. In my opinion the precedent, if there is such, is not relevant to the situation. In fact, I would go further and suggest it is not really a precedent at all because in discussing the motion before us what we are talking about is not a document involving a final conclusion, a final agreement, the entering into of some type of final accord between

two nations but rather the preliminary documents that have embodied in them and reflect negotiations that might lead up to some type of final agreement.

I think it is clear it is not the customary practice, especially in matters as delicate as the one out of which this motion has developed, to bring before the house the documents which the hon. member seeks under a motion of this type.

I suggest, Mr. Speaker, that the only effect of bringing these documents before us would be to help make more difficult the solution of the problem out of which this particular motion has arisen. In making this comment I am not implying that I have personal knowledge, which I do not, of the contents of these documents. Each side might be referring to bargaining positions taken for the purpose of reaching some ultimate conclusion. The documents might contain certain factual information which, if generally made available to the public, would make it most difficult to reach some appropriate and final conclusion. It can easily be seen, I submit, how the presentation of these documents. which are really only preliminary steps in an attempt to reach some final conclusion, could be a most difficult and harmful thing when we are trying to solve the problem on which this particular motion is based.

Let me, then, turn to the ground of public interest which is relevant in considering whether or not the documents covered by this particular motion are such that their production should be compelled. I think that this is an occasion when, as often happens in assemblies of this type, events have overtaken the particular motion or question under which debate is taking place. If you read the motion you will see that it refers to the proposed trusteeship, and legislation in connection with it was passed many weeks ago. The first time the subject matter of this particular motion arose was October 31. I suggest, sir, that events have certainly overtaken the hon. member's motion. Since that time, the parliament of Canada has passed into law a bill setting up a trusteeship over the maritime union. The trustees have been appointed and have assumed their functions. They have taken over their duties and are carrying out those duties under the powers given to them by the parliament of Canada.

We find, too, that the emergency situation which seemed to be in existence at the time this motion was presented no longer seems to exist. Although we can readily admit there is still a problem of grave seriousness in the United States and Canada, shipping that has not already been halted by the onset of winter is being carried on from Canadian ports. The wheat shipments we have undertaken to make to Russia and other countries are being carried forward. The problems that faced our Canadian ships in United States ports are not of the same intensity that they were some five or six weeks ago. While I think it is correct, as the hon. member has suggested when he presented this motion, that this is essentially a Canadian problem, it is one that we have to recognize transcends to a certain extent the boundaries of our own nation, since the waterways in question obviously are those through which the international boundary runs.

I think we can readily agree that it would be impossible to come to a final solution of the problem on which this motion is based without the co-operation of the United States government and the leaders of the United States labour movement. I would suggest to this house and to all hon. members, that at this point, when relative calm has descended on the troubled maritime transportation scene, nothing at all could possibly be gained by proceeding with this motion at this time. In fact, I suggest to the hon. member who presented this motion that if he is really as concerned with the public interest, as I am sure he is in respect of this matter, if he still feels, as I am sure he did at the time he moved this motion, that there is a grave question of public interest involved, it would seem to me that the way to serve this public interest at this time would be to withdraw this motion, to remove the opportunity for inadvertently re-opening at an inappropriate time a question which, if it is not closed, is at least not as troublesome as it was.

We had a situation which seemed to be on the verge of explosion. The maritime labour front situation at one time appeared to be likely to halt Canadian shipping and to spill over the boundaries of a friendly nation, thus troubling the labour movement in that country. This situation does not appear to have the same potential violence now. We can recall that there was a situation which appeared to threaten the friendly relationships, the links between the two labour movements in the United States and Canada. It would appear that at least temporarily, and we hope permanently, some type of accord has been reached between the two principals. We hope some understanding has been reached or is on the verge of being reached between our two governments on this important question.

I suggest again to the hon. member who proposed this motion that it would be the highest expression of action in the public interest to withdraw the motion and to remove even this slight risk of opening this question at a time when it is unnecessary. I suggest,

therefore, for a number of reasons this motion should not be supported by this house. First of all, I suggest the action of the United States officials in making comments to the press, and to which the hon. member who moved this motion has referred, were not quotations or summaries of official documents; second, I think it is clear that the public interest cannot possibly be served by revealing documents of this type, documents which as I have already indicated have been exchanged between the United States and Canada; and we have had no indication that the government of the United States has expressed any willingness whatever for these documents to be presented to this house.

So, in conclusion, Mr. Speaker, I not only suggest that this motion be defeated if it should happen to come to a vote, but that the only appropriate thing for the hon. member to do with this motion at this time is to withdraw it. We would give unanimous consent to that course, since this would be the highest expression of public interest on this very important question.

Mr. Macdonald: On a point of order, Mr. Speaker, I would like to point out that if the hon. member for Pontiac-Temiscamingue (Mr. Martineau) rises at this time he will close the debate and there are several other hon. members who would like to speak.

Mr. Speaker: According to the order which I have, the hon. member for Halifax (Mr. Regan) was next on the list. I believe this was agreed to by various members of the house. The hon. member for Halifax.

Mr. Nesbitt: On a point of order, Mr. Speaker, I would like to move that the hon. member for Pontiac-Temiscamingue be now heard.

An hon. Member: That is closure.

Mr. Nesbitt: That is what you people are doing over there, talking one after another.

Mr. Speaker: I listened to the hon. member for Oxford (Mr. Nesbitt) with great interest but I am advised, both actually and legally, we cannot accede to his request, because if the hon. member for Pontiac-Temiscamingue speaks now he will close the debate, and under our rules, if there are other members who wish to talk at this time, they have the privilege of doing so. I regret I cannot accept the point of order.

Mr. Gerald A. Regan (Halifax): Mr. Speaker, I have listened with interest to the remarks of the various speakers who preceded me, and indeed because of my very deep interest in the subject upon which the motion is founded, ever since it first appeared I have taken an interest in it and looked forward to the time when it would come before the house.

I was particularly interested in the remarks of the hon. member for Essex West (Mr. Gray) and his argument that it would not be in the public interest at this time, in all the surrounding circumstances, for these documents to be produced. Like the hon. member for Essex West I wonder that the hon. member for Pontiac-Temiscamingue, in view of the great improvement in conditions on the great lakes that has come about since the trusteeship went into effect, should insist on going forward with this motion, because at this late date it would not have any beneficial effect on the over-all situation. Indeed it could start up the controversy again. The troubled waters of dissention and strife have receded somewhat, and I think the public interest would appear to indicate that these papers and documents should not be produced at this late stage.

Indeed the hon. member for Pontiac-Temiscamingue, because of his broad knowledge of matters of this type, is perhaps more aware than many hon. members of the house of the possible very unfortunate developments that—

Mr. Martineau: May I ask the hon. member a question. I wonder, would he not allow the house to decide the points which he is arguing, and let the matter now be put to a vote?

Mr. Macdonald: Let him have freedom of speech.

Mr. Regan: With all respect to the hon. member, there are certain remarks on this subject that I would like to put on the record. I feel that in the interest of free speech, and so that the opportunity of hon. members on this side of the house to speak on matters of this type should not be restricted, I should continue my remarks. Perhaps if the hon. member will bear with me he may find that, before I conclude, he will be in full accord with the sentiments I express, though I would be quick to assure him I am not absolutely sure of that possibility.

I note, as reported at page 4229 of *Hansard* for October 31, 1963, the hon. member for Pontiac-Temiscamingue was involved in an exchange on a similar question and said:

> Concerning precedents, Mr. Speaker, there are a number of precedents where documents involving two countries have been tabled in the house. The government is continually tabling international air agreements between various countries. The latest I believe was in November, 1962, when an agreement between Canada and the United Kingdom concerning air traffic was tabled. Last session the hon. member for Winnipeg North Centre (Mr.

Knowles) submitted a motion to the house, which was accepted, for the tabling of correspondence with other countries—

I presume the hon. member was referring to international conventions on civil aviation. These international agreements or treaties are essentially law making instruments, since they create international rights or obligations. Further I might point out to the house that under article 102 of the United Nations charter it is required that international agreements of this character and nature be registered with the United Nations, so that the obligations arising therefrom of various countries would be well known.

International agreements differ very much from diplomatic papers and negotiations leading up to them. This is a distinction which the hon. member did not make at that time, and it is one of the fundamental differences between the question of international air agreements and the subject matter of the motion before us.

Turning to the question of other precedents as to why documents of the type should not be produced—other than the public interest argument, which I hope to return to in due course—I would point out that on February 8, 1962, as recorded at page 687 of *Hansard* for that date, the hon. member for Skeena (Mr. Howard) moved this motion:

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, telegrams, and other documents exchanged between the government or any agency, department, or branch thereof, and any other government since April 1, 1960, relating to the breadth of the territorial sea and proposals for the widening thereof.

Speaking on that motion the former minister of veterans affairs, the hon. member for Winnipeg South Centre (Mr. Churchill) had these words to say, which I think are pertinent to our consideration of this matter. They are reported as follows at page 683 of *Hansard*:

There is plenty of evidence to show that over the years it has been the custom for governments, when asked to produce that type of material, to decline to do so and certainly, if prepared to produce the material, to do so only after having received permission to that effect from the governments concerned.

At this point I might interject that, as an earlier speaker said, there is no indication that the United States government has agreed to the production of these papers in the case we are considering at the moment. Returning to the words of the hon. member for Winnipeg South Centre:

In this particular instance we are involved, I would imagine, with a number of governments which are interested in the problem of territorial

waters or the law of the sea. To put the matter briefly, what we are dealing with is diplomatic correspondence.

On May 27, 1931, the prime minister of that day, Mr. R. B. Bennett, in discussing a motion for the production of papers similar to this one, stated as found on page 2020 of *Hansard*:

Mr. Speaker: Order, please.

THE ROYAL ASSENT

A message was delivered by Major C. R. Lamoureux, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the 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 bills:

An act to amend the Admiralty Act.

An act to amend the Income Tax Act.

An act to amend the Technical and Vocational Training Assistance Act.

An act to incorporate Allstate Life Insurance Company of Canada.

An act respecting The Canadian Union Conference Corporation of Seventh-Day Adventists.

An act respecting The Canadian Equity Insurance Company.

An act respecting The Manufacturers Life Insurance Company.

An act respecting Adanac General Insurance Company of Canada.

An act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1964.

Mr. Speaker: The house will now resume the business which was interrupted at five o'clock p.m., namely committee of supply.

SUPPLY

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

DEPARTMENT OF NATIONAL DEFENCE

1. Departmental administration including authority, notwithstanding section 30 of the Financial Administration Act, and subject to allotment by the treasury board, for total commitments of $2,529,570,600 for the purposes of votes 1, 5, 10, 15, 20, 25 30, 35, 40, 45, 50, 55, 60 and 65 of this department regardless of the year in which such commitments will come in course of payment (of which it is estimated that $978,136,600 will come due for payment in future years) and authority to make recoverable advances under any of the said votes in respect of assistance rendered to the United Nations, any party of the North Atlantic Treaty Organization or any provincial or municipal government, $3,432,000.

The Deputy Chairman: May I advise the house that we are meeting again at seven o'clock. It being six o'clock I do now leave the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 7 p.m.

Mr. Patterson: At five o'clock I was referring to three areas which must be considered when we are thinking of Canada's defence obligations. The first, of course, is our own national territory, and when we consider the geography of this nation, its immense area and the distance of its boundaries in relation to a population of just 19 million people we can appreciate what a tremendous task it would be to defend these shores. In these circumstances we recognize the necessity of forming alliances which would bring others to our assistance in the defence of our national boundaries, just as they would oblige us to help defend the interests of our friends.

The second area to which I referred is, of course, the North American continent as a whole and our obligations in this respect are covered to a large extent by our link with NORAD. There is, in addition, the contribution which Canada must make to the defence of the free world, and this contribution is made most apparent by our part in the NATO alliance. All this is a large order for a nation of 19 million people, but it represents a task we must face realistically and courageously. It may be we shall have to make a choice between providing a small and, possibly, inadequate contribution in many fields, on the one hand, and making an adequate contribution in a selected role on the other. This is a matter to which careful consideration will have to be given.

Canada has never shirked her responsibilities, and her efforts in the past have earned the gratitude of all her friends. The hon. member for Vancouver East has referred to the statements we heard while we were in Europe regarding the quality of Canada's forces and I am sure that those qualities will be recognized in the future, as in the past, by all those with whom we are allied.

I should like to take this opportunity of dealing with the question of our personnel stationed abroad. An article appeared in tonight's Ottawa *Citizen* entitled: "Hellyer plans to pare military attache posts". It has to do with the attitude of the Minister of National Defence toward certain of our personnel abroad. The article states, in part:

> It is reported that defence minister Hellyer was appalled when a manpower study he had ordered showed that Canada's 39 senior military attaches abroad draw annual living and rental allowances totalling $343,200.
>
> Most of these embassy posts are filled by colonels or their equivalent in the navy and air force—captains and group captains.

The article draws attention to the obvious risk of overlapping which occurs, and points out that other officers in various areas could well undertake the responsibilities now carried by these attaches. It states:

> A military attache is maintained in Paris, though dozens of Canadian senior officers serve at supreme allied headquarters there. He draws a monthly living allowance of $609 and a rental allowance of $247 on top of a monthly salary of nearly $1,000 excluding marriage and subsistence allowances.

While we were in London a question was raised as to the number of officers and other ranks attached to our missions there. We were told there were 52 officers, 47 other ranks, 348 dependants and 77 civilians. I repeat, there were 52 officers. I do not know, but it seems to me the situation we face overseas is the same as the situation which faces us right here in Canada: We have too many chiefs and not enough Indians. This may explain why our expenditures are so tremendously high in relation to the number of active personnel we have in the forces. It appears that the minister himself is unhappy over this situation, and no doubt he will be taking some action in relation to it.

I should like to return now to a statement to which I referred this afternoon. I refer to another statement made by the Minister of National Defence, this time to the Empire club in Toronto. I should like to quote from a report which appeared in the Ottawa *Citizen* of November 28:

> Defence minister Hellyer today admitted there are "serious problems" in respect of the Canadian army brigade and air division in Europe.
>
> The minister said plainly that the brigade is not properly equipped to hold down its present advanced role with the NATO northern army group in Germany.
>
> He said the situation of the R.C.A.F. air division, with half its strength in France where nuclear ammunition was not available, was simply not satisfactory.

Here again we find the minister very unhappy with the situation of our personnel abroad. Once again, speaking personally I would agree that the minister has some reason to be perturbed about this situation. When we were at Zweibrücken we had the opportunity of meeting the leaders of the third wing of our air division, and in reply to questions and through the contacts we made there we found that the air force was not in any way prepared to meet any kind of emergency that might arise. It seemed as

though they were completely without weaponry. They were vulnerable in every sense of the word. When we hear references made to combat readiness they certainly do not appear to apply in that particular respect.

As far as the army brigade group is concerned, some of the factors that were brought to our attention there indicated that they are very ill equipped to fulfil any essential and prominent role in defence. I am not saying anything whatsoever, Mr. Chairman, by way of reflection on the personnel of our armed forces abroad. I believe they are of the highest calibre and they are anxious and ready to do any job that may be assigned to them.

There were a number of officers and men who expressed themselves as being very happy that the defence committee set up so recently had seen fit to come to visit them and to investigate the contribution that they, representing Canada, were making. The particular role assigned to our forces abroad is not the important question to them, as far as I could ascertain. They expect such decisions to be made in Ottawa. But they are extremely anxious that their role be defined and communicated to them so that they can go ahead and be tops in the job with which they are charged. The morale is high but I believe that morale can only be maintained if our service personnel know what the job is and are given the opportunity to maintain peak performance and preparedness in the face of that responsibility. Therefore, Mr. Chairman, I believe it is absolutely essential that policies must be forthcoming.

Reference has been made to the past months and past years when we have not had an adequate or effective defence policy. I say again that policies must be forthcoming. Decisions must be made. A reassessment is essential and action is imperative to give a sense of direction and to lay down the guidelines for the responsibility that we are accepting in the roles which we intend to fulfil.

As I stated before, I do not intend to anticipate the committee's report. I do not even submit personal views at this time with regard to defence policy. But with the tabling of the report of the committee and the outlining of its recommendations I believe it will be the responsibility of the government to prepare to move quickly and decisively in the adoption of a defence policy that will establish the role of our forces at home and abroad so that uncertainty will be ended and our forces enabled to reach the maximum standard of preparedness to fulfil their tasks.

It is true, as we were reminded when overseas, that the era when war could be a continuation of foreign policy in another form is over. War with our present destructive capability is, as we are all aware, too catastrophic to contemplate. However, I believe our defensive capability must be maintained lest any possible aggressor consider our unpreparedness a sign of moral weakness and use the opportunity afforded to further his own objectives. While respecting the minister's hesitancy in acquiring weaponry that might limit operations in the future, I believe it is imperative that no time be lost in defining our roles and then moving quickly to prepare to fulfil those roles to the maximum degree possible.

Once again, Mr. Chairman, I pay tribute to those who are serving in the forces abroad, and here at home, of course, but I am sure we all recognize that we must set the objectives and outline the roles. Without question, those in the forces are then prepared to go ahead and make their maximum contribution to the defence of Canada and the free world.

[*Translation*]

Mr. Caouette: Mr. Chairman, we are considering the estimates of what I believe to be the most important department, namely the Department of National Defence. When you study the estimates for the various departments, you find that 25.6 per cent of the national budget is spent by the Department of National Defence, whereas only 19.1 per cent goes to social security and health, 5.3 per cent to veterans affairs, 4 per cent to transport and 1.4 per cent to unemployment insurance.

There is no need to say that when 25.6 per cent of a national budget is allocated to one department, its expenditures must be scrutinized, not only by the ministers but also by all the members of the house.

The estimates of the Department of National Defence amount to $1,560 million this year, after deducting the $74 million which were to be used for buying CF-104 and Voodoo CF-100 aircraft. And despite that reduction the expenditures will amount to 25 per cent of the national budget, while the estimates for natural resources and industrial development represent only 8 per cent and payments to the provinces, 5 per cent.

Mr. Chairman, I am of the opinion that this percentage of 5 per cent for the provinces could have been increased by acceding to the requests of the premier of the province of Quebec as well as those of the other provincial premiers.

The estimates of the Department of Agriculture amount only to 2.7 per cent of the whole national budget, while those for the unemployment insurance commission represent only 1.5 per cent, as I said earlier.

Mr. Chairman, among the larger estimates of the Department of National Defence, we see that $291 million are allocated to the Royal Canadian Navy, which is $24 million more than last year. Does this increase include the $30 million we will need to purchase submarines from Great Britain? The estimates do not say.

The estimates for the Canadian army amount to $444 million, that is $7,791,000 more than last year.

As for the Royal Canadian Air Force, its estimates amount to $691 million, that is $38,702,000 less than last year.

The estimates for defence research and development amount to $51,217,000, that is $8 million more than last year.

The estimates concerning mutual aid for NATO amount to $32.1 million, that is $4.8 million more than last year. The estimates for contributions and other allowances have been reduced by $2,720,000.

As I said a while ago, these various amounts make a total of $1,560 million, that is $30 million more than the previous year, despite the decreases announced this afternoon by the Minister of National Defence.

Mr. Chairman, what is most surprising to me is the detail of vote No. 1, which reads as follows:

Departmental administration including authority, notwithstanding section 30 of the Financial Administration Act, and subject to allotment by the treasury board, for total commitments of $2,529,570,600—

An hon. Member: How much?

Mr. Caouette:

—$2,529,570,600 for the purposes of Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50, 55, 60 and 65 of this department regardless of the year in which such commitments will come in course of payment—

Now, the Department of National Defence is authorized to spend up to $2,529 million, an authorization that is actually granted, while these expenses will amount to $1,560 million this year.

Mr. Chairman, I wonder how it is that the Department of National Defence, which is authorized to spend up to that amount, does not allow, through a cabinet order, other departments to use that portion of its supply.

For example, why is the natural resources and industrial development division not allowed to use that supply which the Department of National Defence will not be using this year?

They are authorized to spend up to $2,500 million and only 8 per cent of the whole national budget is allotted to industrial development and to the development of our natural resources.

We could also allocate the amounts which will be of no need to the Department of National Defence to other departments, so as to allow a more adequate development of all the riches and physical facilities we have in Canada.

Mr. Chairman, the government might, for example, double the family allowances' rate; that would cost $1,040 million, half a billion less than what we are spending at the present time for national defence, and there would be one billion more that would circulate among Canadian families.

If old age pensions were increased by $10 a month, that is by $120 a year, for each of the one million Canadian pensioners, it would cost Canada $120 million. Instead of increasing income tax rates, the government could have used national defence estimates which the minister will not use this year any more than he did last year.

Under its contribution to joint programs, the federal government pays out $50 million: $30 million for old age assistance, $4 million for the blind and $16 million for the disabled. If those federal benefits were doubled, it would cost the government only $50 million. Here again, the necessary funds could be taken out of the estimates of the Department of National Defence which are not used at present.

Mr. Chairman, I wish to call the minister's attention to those cuts in expenditures as it seems to be done in other countries of the world.

This afternoon the Minister of National Defence gave clearly to understand that some radar stations would be closed in various locations in Canada in order to save the department approximately $74 million.

Some people have been employed in those radar stations for eight, 10 or 11 years and they are very worried following the statements made by the Minister of National Defence. There should be some co-ordination and agreement between the various departments so that when jobs are abolished or there are layoffs in a department, such as that of National Defence, another department would look after the workers deprived of their jobs. In such cases, I suggest that the departments of trade and commerce and industry should look after the matter or that they be authorized to spend the funds which will not be used by the Department of National Defence.

I will now quote an excerpt from *La Presse* of December 3, 1963:

The budget which will be presented by the Department of National Defence for the next fiscal year, will amount to about $1,560 million.

The $74 million reduction mainly stems from the decisions made by the minister of defence, Mr. Hellyer, not to buy other CF-104 atomic

bombers for the air division of the R.C.A.F. in Europe and other Voodoo CF-101B interceptors for the R.C.A.F. air defence command in the country—

—Following those decisions, estimates for weapons and equipment which were supposed to reach $279,441,000 fell to a new low for the decade. On the other hand, expenses for personnel, operations and maintenance continued to go up and reached more than $1,100 million.

That is just for salary increases and ordinary operations.

Mr. Chairman, I am sure that some changes could be made in the estimates of the Department of National Defence. The report which was submitted to us last year on the expenses of the Department of National Defence and those of the Department of Defence Production clearly shows that the government and the two departments concerned make extravagant outlays.

I read in the issue of Wednesday, December 4, 1963, of *Le Devoir*, an article by Paul Sauriol which said:

Three days after the federal-provincial conference, a news report from Ottawa informed us that the Minister of National Defence had cut his budget for the current year by $74 million. The federal treasury thus recovers almost the equivalent of the $87 million it is giving to the provinces. There may not be any direct link between the two occurrences, but it is more than a coincidence, because many people feel that the most efficient and the most logical way to meet the requests of the provinces is to reduce considerably our defence expenditures.

It is true, several provinces, particularly the province of Quebec through Hon. Rene Levesque, suggested to the federal authorities to reduce expenditures for national defence in order to be able to give larger amounts to the provinces.

And he went on to say:

In spite of all that can be said with regard to our commitments to the Atlantic alliance and our share in the defence of North America, our military budget is too big, and it is the part of federal expenses which may be most easily reduced.

Mr. Chairman, when comparing our expenses with those of the United States, the difference is obvious.

And further on:

Those statements were illustrated by some figures: The United States has more than 500 I.C.B.M. and will have over 1,700 in 1966, whereas the Soviet union only has a fraction of that figure. The United States has more than 500 bombers ready for action, which is twice the number which the Soviets would send as a first wave over North America. The same superiority exists with regard to the hundreds of I.R.B.M. So that, if anything more were to be done in the nuclear field, the point of diminishing returns would be reached...

...There is no more question of the old monopolies, the American nuclear monopoly or the Russian conventional forces monopoly. The west realized the limitations of the nuclear deterrent, and increased its conventional forces, but Moscow also knows that an aggression with those conventional forces which would endanger the major interests of the west, in Berlin for instance, would bring about retaliation with tactical nuclear warheads. It is therefore a question of balance.

That is all Mr. McNamara said, but those who were listening could read the budgetary implications of his remarks between the lines. It meant that the new balance of forces might result in the reduction of some military expenses, more particularly with regard to nuclear arms; moreover, in order to reduce the deficit in the balance of payments, Washington may progressively decrease the importance of its forces in Europe, the more so as a recent experiment showed that a whole division could be transported by air in two or three days.

Therefore, if the military budget is notably reduced without jeopardizing the security of the country and of the west, the American government will have more ample resources available to stimulate economy, to modernize industry, to give a greater measure of assistance to emerging countries, to be more competitive on world markets, and to make up the deficit in the balance of payments.

In that light, Canada may hope to reduce also its disproportionate military effort, which absorbs one fourth of the federal budget. Even after the reduction which has just been announced, those expenses remain above one billion and a half. An energetic reduction of those exorbitant expenses would allow a better equilibrium between the federal and provincial finances. The hierarchy of needs would be easier to respect.

This amounts to what I stated a minute ago, that all the reductions in the national defence budget should be directed towards other divisions, such as that of the economic expansion of Canada.

If, in order not to weaken the armed forces of the country, we have to maintain our soldiers' pay, their standard of living, their jobs, it would be as easy, I think, to do so through building something in Canada instead of letting them exist in a passive way, as is the case now.

Those fabulous amounts should be devoted to the transfer of several thousand soldiers, if necessary, toward a direction other than that of national defence. So, it would be advisable, it seems to me, that those military men be directed towards the economic expansion of their country, instead of remaining in passivity or in a sort of idleness, as is the case now.

Mr. Chairman, we have here, under the heading of national defence, cases which are presented to us day after day. I feel I should call the attention of the minister to a statement from General Charles Foulkes of Victoria, B.C., who, speaking on national defence expenditures before the special committee on defence, the chairman of which is the hon. member for Iles-de-la-Madeleine (Mr. Sauve), declared, on October 22, 1963, the following:

I am not convinced that we know really which antisubmarine force is the more effective and the most economical for Canada.

And the Minister of National Defence was announcing at that time the purchase of submarines at a cost of $30 million. General Foulkes said:

We are not convinced, we do not know exactly which would be the most effective and the most economical antisubmarine force for Canada.

There was never, as far as I know, an impartial estimation of the relative value of the aircraft carriers, scouting planes, frigates, submarines, helicopters and long range marine aircraft, to combat nuclear submarines. We have replaced the *Magnificent* by another aircraft carrier, and wartime frigates by relatively slow escort ships, at a cost of $30 million. (That figure would be obsolete today.) Lancasters have been replaced by Argus marine aircraft, and these will have to be replaced also in 1970. We are right in asking ourselves whether this present combination of an aircraft carrier with scouting planes, frigates, helicopters and long range marine aircraft constitutes the most effective, the most useful, the most economical combination for this job. I consider this combination rather as a conglomeration of plans and ambitions of the navy and air force organizers.

That is a statement by General Foulkes, a Canadian general who said boldly: The present arrangement is rather a collection of plans and ambitions by navy and air force organizers.

And now, here in the parliament of Canada, we are voting $1 billion, possibly $1½ billion for national defence or something which amounts to a collection of plans, instead of an effective defence in case of attack, need or necessity.

Mr. Chairman, the Department of National Defence spends 5.6 per cent of the total national budget. Out of those fantastic expenditures, we still see the Department of National Defence treating people in the most arrogant manner you could think of.

I have a case here which dates back to 1951 and was discussed before various ministers of national defence, not necessarily before the present minister, but before the ministers of past administrations.

I am referring to the Senneterre radar station, in the riding of Chapleau, which was established in 1951. At the time of the establishment of that radar station, the government decided to take over claims which properly belonged to a mining prospector of the city of Val d'Or whose name is Joseph Lavoie.

Mr. Joseph Lavoie was the owner, since 1950, of mining claims located on the present site of the Senneterre radar station.

He asked the Department of National Defence for compensation. On several occasions, he was asked to report to the latter, or to send his claim to the Department of Transport, and afterwards to the Department of Industry, and then again to the Department of National Defence, and later still to the Department of Defence Production. He was sent from post to pillar since 1950, without ever getting any compensation though he was the owner of that mining claim which is the present site of the Senneterre radar.

Here is for instance, a letter dated 1957, written by Mr. George Hees, the then minister of transport, to Mr. Andre Begin:

[*Text*]

Dear Mr. Begin:

This is further to my letter of November 15 in connection with the effect of crown requirements on property owned by your client, Mr. J. A. Lavoie.

Actually the question of whether or not Mr. Lavoie can work his claims is one for the Department of National Defence to settle, and my department will again take the matter up with national defence to see if arrangements can be made which will enable Mr. Lavoie to develop his claims without interference with the R.C.A.F. installations.

I understand that my real estate officers have informed you that Mr. Lavoie's claim is very similar to the one filed by the Sullivan-Bourlamaque Gold Mines Limited as a result of the establishment of an airport at Val d'Or and that it was understood that you had agreed that negotiations could be held in abeyance, until a judgment is rendered in this case. Unfortunately, although some of the evidence has been heard the date of the final hearing is indefinite, and it may be some time before a judgment is rendered. I am afraid, therefore, that if the Department of National Defence feel that development of the claims cannot be allowed we will have no alternative but to await the completion of the Sullivan-Bourlamaque case.

I will write you further as soon as we have something definite from the Department of National Defence.

This letter is dated December 11, 1957.

[*Translation*]

Mr. Chairman, that letter was written in 1957 by the minister of transport of Canada Mr. Hees. Since then, Mr. Lavoie went on writing and communicating with the Department of National Defence; and again he was sent from post to pillar, trying to find out whether he was the owner of those claims or not, and whether the Department of National Defence could, without any compensation, expropriate land duly registered as claims with the provincial department in Quebec.

Here are the facts:

Mr. Lavoie has been since 1950 the owner of those mining claims, located on the present site of the Senneterre radar, whereas the building of that radar station only was started in 1951. When construction begun, Mr. Lavoie was formally denied entrance to the site of his claims when he wanted to work.

In 1958, the Department of Transport authorized him to proceed with his work within certain limits, and under entirely impractical conditions. Actually, Mr. Lavoie was refused the right to enter his own property.

By 1958, Mr. Lavoie had spent $51,113 with regard to these claims. At that time, the department concerned still refused to award Mr. Lavoie any damages, under the pretext that a similar case was pending in the exchequer court for the exact site occupied by the Val d'Or airport. That property had been taken over without any compensation being offered.

Therefore, I am asking the Minister of National Defence who could cut down the

expenditures in his department by $74 million, if he is now in a position to honour his commitment concerning Mr. Lavoie, in Senneterre, where the radar station is located, or if he intends to open negotiations in order to settle this matter which has remained unsolved for years.

Under the previous regime, Mr. Lavoie was already making trips from Val d'Or to Ottawa to meet the then member for Chapleau, Mr. Martel, the minister of mines and technical surveys and the deputy minister of national defence. The case was never settled under the Conservative regime and the present government does not seem willing to settle it either. I continue:

> On November 10, 1960, judgment was rendered concerning the Val d'Or airport and Sullivan Gold Mines, Bourlamaque.
>
> Until November 1961, the authorities had never claimed they had acquired from the province a right to the piece of land in question. On November 1, 1961, the Department of National Defence, in a letter signed by Mr. David McBrown, executive assistant, admitted that, to that date, the land concerned had not been transferred from the provincial to the federal government.

That was in 1961.

A few days after that letter was received, the deputy minister of national defence informed Mr. Claude R. Baillargeon, of Val d'Or, Mr. Lavoie's attorney, that he was ready to meet him to discuss the matter. As a matter of fact, the meeting took place on December 14 and 15, 1961. The compensation suggested then would not have been sufficient to cover the expenses incurred up until that time by Mr. Lavoie in legal fees, engineering fees and others to regain his rights.

On January 4, 1962, Mr. Lavoie indicated in writing the necessary conditions for his operations.

On May 25, 1962, the department of defence proposed a new method of operation under conditions impossible to comply with.

It would be superfluous to mention to you the extremely heavy correspondence at the office of Mr. Baillargeon, at the department concerned and at the department of lands and forests of Quebec about the matter.

The main point at stake now is not the amount of damages, since practically no serious proposal has been made concerning that matter, but the possibility for Mr. Lavoie to develop the mineral resources which he owns.

A fact worthy of notice is that three settlers have received compensation as early as September 1951, when their land or part of their land was transferred to national defence.

Must we therefore conclude that the department in question claims absolute priority without having to compensate the owners of mining claims? In fact, can the Queen in right of Canada take over a property which was obtained legally from the Queen in right of the province? Perhaps the hypothesis may seem far fetched but facts prove that such an incident can and did happen.

The only way that argument could make any sense, would be to establish that the Department of National Defence had legal title before Mr. Lavoie. Otherwise, the department could offer Mr. Lavoie fair and reasonable compensation.

The last alternative has failed to materialize; as for the first one, official documents of the Quebec department of lands and forests prove the contrary.

A letter sent by the assistant deputy minister of lands and forests on October 15, 1957, bears witness to the fact that there has been no legal transfer yet. A letter dated November 1, 1961, and signed by the executive assistant to the Minister of National Defence reads partly as follows: "We are not yet in a position to give you a complete report, but we are informed that departmental officials are now ready to negotiate with Mr. Lavoie the settlement of his claim as soon as it appears that the Senneterre property was transferred to the department by the provincial department. The necessary steps have been taken to have the transfer made but the proper order has not yet been issued."

Even to this date, it is doubtful that the federal government has acquired legal title to that land where the radar station is located in Senneterre. I wonder if it is right for the government to act that way towards a Canadian citizen. Even if there is only one person involved and regardless of where the situation may arise in Canada, I feel that the Department of National Defence does not have the right to treat a Canadian citizen like that.

In the interest of the government, of human rights and of private property in Canada, I would therefore ask the Minister of National Defence to have the numerous cases like that of Mr. Lavoie settled in the nearest possible future.

Mr. Chairman, as I said a while ago, the Department of National Defence accounts for 25 per cent of the federal budget and its expenditures must be closely scrutinized. I agree that the Minister of National Defence is very competent and that he is an honest man—

The Chairman: Order. I regret to interrupt the hon. member but his time has expired.

Mr. Caouette: If the committee will bear with me, I just have two sentences left.

An hon. Member: No.

The Chairman: There would have to be unanimous consent for the hon. member to continue.

An hon. Member: No.

The Chairman: I have heard someone say no; unfortunately I cannot accede to the hon. member's request.

Mr. Bechard: Mr. Chairman, although I will now speak on the national defence estimates for the fiscal year 1963-64, I do not intend to prolong this debate but rather to bring my humble contribution to that delicate and very important matter which is the defence of our country. As the member from a constituency which along with the Gaspe riding gave to the Canadian armed forces during the last world war 35,000 men and women, many of whom fell on the battlefield, I feel doubly justified to speak.

Kindly allow me, Mr. Chairman, to express my most sincere gratitude and my great admiration to those courageous Canadians for the sacrifices they made in the name of a principle which is dear to us all: liberty.

To speak of defence is to speak of protecting our country against any eventual aggressor. When I say "our country", I mean its human capital as well as its territory. It is to speak of protecting our most cherished rights, our tongue, our faith, our traditions. It is, in short, to speak of safeguarding our democracy and our liberties.

In this framework, I feel that defence must be put above partisanship, because it is impossible for any country to have a true defence policy if it is bound by petty and often selfish interests that might be dictated by such and such a political party. Consequently, Mr. Chairman, I intend to remove all traces of partisanship from these few remarks.

I wish to devote the few minutes allotted to me to speak very briefly about the necessity of a good defence system for Canada and its responsibilities as a member of NATO and I will conclude with a few general comments.

In the first place, we, Canadians, should thank divine Providence for having spared our country from the disasters of war which the European countries and other continents have known for centuries. However, with the progress of science, with its effects in the military field as well as in all the others, with the development of the atomic bomb, jets, intercontinental missiles, etc. the enemy is at our doors. And we know some dictators who, if they would now decide to conquer the world, would represent a greater threat to Canada than the danger which existed 15 or 20 years ago.

Faced with such a prospect, no country, including Canada, can afford to disregard its own means of defence. When one thinks that only one mistake, wherever it might be made, can soon degenerate into a world-wide disaster, there should be no hesitation about the necessity for our country to be ready for any emergency in order to protect its own territory. Therefore, I feel that Canada should have an army, an air force and a navy equipped with the most modern and efficient weapons. I will be told that all this would cost huge amounts of money that a country like ours, large in size but rather small in population, cannot afford. To that I reply that in order to protect itself, any country must be willing to make the necessary sacrifices if it is to survive.

To come back to what I was saying at the outset of my remarks, no price is too high to preserve one's freedom and the control over one's territory. After talking with our French, German or British friends who suffered from the disastrous effects of the numerous wars they experienced, it is realized what sacrifices those people made and are still ready to make and the price they are willing to pay in order to protect their freedom and to banish the curse of war which, according to the present outlook, would be a nuclear war.

It would be an overstatement perhaps to suggest that Canada, with its existing possibilities, could eventually hope to beat off alone an attack launched against its territory. That is why it must necessarily rely on the co-operation of its partners, the closest and the most powerful being the United States. This brings me to the second part of my statement, namely the North Atlantic treaty.

Shortly after the second world war, western democracies expected that a new era would begin an era of security. Demobilization was quickly undertaken as our faith was then put in the U.N. However, the Soviet policy very quickly cast a gloom over this fine dream. Before this sad prospect of Russia which had already annexed several countries, namely Poland, Finland, Czechoslovakia, etc. and wished to extend its rule throughout the world and in view of the inefficiency of the U.N. as a result of the repeated vetoes of Russia, there remained only one possibility for western countries to ensure their security: to unite in order to protect themselves.

Such was the origin of the North Atlantic treaty which was signed on April 4, 1949. This treaty states that the member countries are:

> —determined to safeguard the liberty of their people, their common heritage and their civilization established on democratic principles, individual freedom and the rule of law.

Canada was one of the first 12 countries to sign that treaty. On that score, our

country, as long as that multilateral agreement lasts, must have the best means of defence which will allow it to take the action that it will deem necessary, in case of any aggression against one or several of the contracting parties to the treaty.

Knowing, at least fairly well, the military might of the Soviet union, and its determination to achieve first place in the field of nuclear energy, and its admitted intention to spread all over the earth its communistic philosophy, by all the means available to it, the NATO members, and Canada among them, cannot afford to neglect looking after their defence, if they want to save the threatened democracy. It is useless to say, in the present context, as long as there is no ban on nuclear arms, that any possible world war would not lead to the use of the atomic bomb. Consequently, if the North Atlantic treaty has any meaning, the signers should be ready to face their obligations by being provided with the best defensive weapons.

However, considering the mutual fear of complete destruction, considering the terrible consequences of an atomic war, it is unlikely, though not impossible, that we will have eventually to suffer the atrocities of such a war. In view of these developments, the members of NATO will be called upon to change their defence policy.

According to information available, our powerful neighbours, the United States, are reputed to have enough nuclear arms to face an atomic war with Russia. If we can realize the rapidity and the destruction capacity of the nuclear weapons which these two countries have, I am of the opinion that it is useless to carry on the making of such a costly weapon which burdens the budget of all the countries involved, since it seems likely that the American reserves are adequate to meet any possible aggression.

This does not mean, however, that Canada, a member of NATO, should discontinue its defence program and cut all its expenses in this field. However, our country must increase its endeavours to equip its three services with the best conventional defence weapons, which are considered as most effective and least expensive, and not hesitate to discard equipment, material and armament which are obsolete or not effective enough.

The progress of science is so fast nowadays that a more serious study of each weapon likely to meet modern military requirements should be made in order to avoid finding ourselves in a situation at least uncertain, with an obsolete equipment, even before it is used.

I also suggest that the Department of National Defence should not be used to settle the problem of unemployment in this country. Through a carefully conceived economic planning and a genuine Canadian defence policy, in compliance with our commitments in NATO, we would avoid these lay-offs which never fail to happen after the slightest change in our defence policy.

Before I conclude my remarks, I would like to express the hope that our country, which has always co-operated with its allies in order to establish a genuine and lasting peace in the world, will continue, together with the other western powers, to turn its endeavours toward that ultimate goal, without however yielding to ingeniousness and neglecting its own protection against an artful aggressor whose greatest wish, let us not forget it, is still to spread its totalitarian tenet to the whole world.

Mr. Pigeon: Mr. Chairman, would the hon. member allow me a question?

Mr. Bechard: Definitely, if it is a relevant one.

Mr. Pigeon: Is the hon. member in favour of Canada being equipped with American nuclear warheads?

[*Text*]

Mr. Harkness: I should like to thank the minister for the kindly references he made to myself and to my predecessor in office, the Hon. George Pearkes, at the beginning of his remarks. I appreciate what he said and I know General Pearkes will appreciate it, also.

Before going into the subject matter of the debate I should like to make one comment on the statement by the hon. member for Vancouver East to the effect that there was no defence policy while the Conservatives were in power. On the contrary, we had a very definite defence policy. I stated it in the most explicit terms in presenting the estimates of the department to the House of Commons in September, 1961, which was the first opportunity I had of making such a statement. I expressed it, also, in dozens of speeches across the country. I know the hon. member for Vancouver East is a fair-minded man, so I should just like to ask him to turn up in *Hansard* the speech I made on September 11, I think it was, 1961, when I made a definite statement on defence policy. I should like him to read that statement and then come to his own conclusions. As was pointed out by the hon. member for Winnipeg South Centre, there were definite statements of policy made in white papers and blue papers throughout the period when the Conservative government was in power.

I turn, now, to the remarks made by the minister and to the particular matters under

discussion. To begin with, I must say I was shocked and disappointed by the statement which the Minister of National Defence made to the committee this afternoon. I had expected much more and much better. First of all, I think his statement gave the impression that a program of scrapping right and left was in progress without either a policy or a plan—that is, if we are to accept the statement that the government's review of policy has not yet been completed and that no definite decisions will be reached with regard to these matters until the recommendations of the defence committee have been studied. This is the situation presented to us, and it would appear to be correct. However, I submit that the government cannot have it both ways. Either the reductions announced must relate to a policy, or they make no sense at all. For this reason I think the government is on the horns of a dilemma in this connection. If the reductions announced in the hon. minister's statement are related to a definite defence policy, then the minister has refused to disclose to the house what the policy and the plans are to be. If that is the case, I think we have reached a point at which parliamentary government is not operating properly, and both the minister and the government could not be too strongly condemned for their part in such a situation.

On the other hand, if we accept the general tenor of the statement made, which conveys the impression that the reductions are nothing more than an unplanned, apparently desperate effort to cut defence spending by x million dollars, then I think the government is following an irresponsible and dangerous course. I think the situation should be resolved by a statement on the part of the minister because, otherwise, the committee is in an almost impossible position when it comes to considering these defence matters.

To deal with the actual statement which the minister made, may I say I think the inevitable effect of the long list of reductions which he announced, together with the cancellation of the frigate program and other reductions, will be to reduce the strength and effectiveness of our armed forces—it could not possibly have any other effect—and thus to reduce the contribution which we could make and which we are obligated to make to the joint defence of the western world under NATO and NORAD. I think, too, it will probably reduce our ability to meet any request which might be made of us by the United Nations in connection with its military interventions. In addition, these announcements are bound, in my view, to shake the confidence of our allies in our will and ability to meet the obligations we have assumed. Thus they will weaken our position in the councils of NATO and in the councils of the world generally, and destroy, to some extent at least, our ability to influence decisions in directions we think they should take. This might well be the most dangerous result of widespread reductions such as have been announced, as far as I can gather without consultation with our allies and without there being any plan for replacement or for keeping up the general level of our contribution either to NATO or to NORAD, or to the service of the United Nations, whenever that might be required. At the same time, as far as our own forces are concerned, these announcements will deal an extremely heavy blow to the morale of all our armed forces and particularly to the morale of our reserve forces, and their ability to operate in any effective manner whatever.

I was disappointed that in his remarks the minister gave no indication when the implementation of the announced program to supply nuclear ammunition to the four weapons systems we have secured and which require it in order to be effective would take place. When the minister first assumed office I recall he made a statement that this would be looked after within a month. I have been extremely puzzled why there has been such a long delay in implementing the nuclear policy which I firmly believe in, the policy which I promoted when I was minister of national defence and which I was delighted to see the present administration take over. But I have been extremely puzzled why it has taken the present government so long to implement that policy. The government has given every evidence of dragging its feet in regard to this most important matter.

I think this chamber must and should have a statement from the minister telling us what the reasons for the delay are, and when the program will be implemented. I think we have been kept far too long in the dark in regard to this very important matter. As pointed out by the hon. member for Winnipeg South Centre this afternoon, until nuclear ammunition for these four weapons systems is supplied our present defence posture is much weaker and much poorer than at any other period in the past since the second world war, certainly since the Korean war, because of the fact that the effective armament we had then, the interceptor planes and so on, have been phased out and have disappeared while the more effective equipment which was planned to take their place has not yet been brought into operation. Therefore at the present time we are in a bit of a hiatus in that we have got rid of the armament we had, but we have not yet got new armament to take its place. In my opinion this situation constitutes a dereliction

as far as our obligations to our allies are concerned and as far as our obligations to the country are concerned in maintaining the security of this nation.

I do not have time tonight to comment on all the reductions announced by the minister, nor has there been time to study and assess them and thus come to some conclusion as to what the result will be. However, I should like to say a few words about some of these matters. The first one I should like to deal with is the cancellation of the general purpose frigate program, which was announced some time ago. I think this is an example of welshing on our naval commitments and our naval obligations as far as NATO is concerned. It amounts to a unilateral decision to reduce our naval contribution to NATO. I would be the last one to argue that the only naval program which is acceptable and which should be put into effect is the construction of the general purpose frigates. There are always alternatives in this regard. However, what I take the strongest possible objection to is the scrapping of a program decided upon after long study as being probably the best, looking ahead for the next 20 years and putting nothing in its place. If something had been put in its place I would say all right. People's ideas on these matters differ. We would at least be living up to obligations we have assumed, but to just scrap the program without having any replacement plan means that in effect we have taken a unilateral decision to reduce our naval contribution to NATO.

I asked the minister and the government a question whether a decision had been made to reduce our naval contribution to NATO and the answer was no, but the cancellation of the frigate program means that in effect that decision has been taken. Something is really being done here by indirection which I think the government perhaps dared not do openly and boldly. I think this is just as serious a dereliction with regard to our obligations and commitments as anything that could be instanced in respect of Canada or any other member of NATO.

Mr. Winch: I wonder whether the hon. member would answer a question on this point?

Mr. Harkness: Yes.

Mr. Winch: When the hon. member was minister of national defence did he make any commitment to NATO for the building of these general purpose frigates?

Mr. Harkness: Mr. Chairman, I did not make any specific commitment in regard to the building of the general purpose frigates. The point is that many years before we had agreed to supply a certain number of ships to NATO. I do not say for a minute that our commitment should not be negotiated down or up. As a matter of fact, I would think most of the members of NATO would perhaps be insistent that it should be negotiated up rather than down. But as long as we are in that situation I think this cancellation is a very bad piece of business and causes a loss of confidence on the part of our NATO allies if, simply by allowing obsolescence to reduce the effectiveness of our NATO contribution, we thereby reduce the effort we are making on behalf of the alliance as a whole.

Mr. Winch: But you had no commitment?

Mr. Harkness: Mr. Chairman, there is no use dealing in semantics with regard to whether you have a commitment or have not, whether you have a written contract or whether you have not. In NATO these things are arrived at as a result of long periods of conferences involving the permanent NATO council and at the NATO ministerial meetings. In many cases it is a matter of an agreement or a commitment by word of mouth being made at a NATO ministerial meeting. To try to pin this thing down to a matter of a written contract completely ignores what the realities of the situation happen to be.

To return to some of the particular matters that the minister mentioned, I must say that the termination of the Bobcat program fills me with a great deal of sadness. I do not for a moment absolve myself from all responsibility in connection with the failure of this program. As the minister said, it was started in 1954. We were the first nation really to get into the field of an armoured personnel carrier, and we should have been able to carry the program through and produce a carrier before anybody else. Instead we have had a long series of delays. To me the whole thing has been completely inexplicable and extremely frustrating. It was one of the most frustrating things I dealt with during the time I was minister, and I am still at a loss to understand why we failed in the way we did to carry this program through to completion.

It may well be, as the minister stated, that since the program has been so long delayed and as there is no possibility of anybody else buying the equipment with the result that the cost would be twice that for which we could buy somewhat similar equipment from somebody else, the wisest thing to do is to cancel the program. But I must say that when we embark on programs of this sort in the future I think there will have to be time limits placed on the commercial companies carrying on the work, and if the time-tables are not met, then that is the time to cancel the program, not years later after a great deal of money has been spent on it. In other words,

we have got to be much tougher in connection with development programs of this kind. Otherwise we are not going to get any place with them, and at the same time they are going to cost us a good deal of money.

There is quite a considerable list of reductions as far as the navy is concerned in the various reductions announced by the minister. With regard to the 10 auxiliary vessels which are going to be retired, all I can say is I do not know what vessels they are. Nobody else in this chamber, except perhaps the minister and associate minister, knows what they are. We are not, therefore, in a good position to say what the effect of this move will be.

Then, there is the reduction in the air squadrons. If you are going to continue to have an air arm in the navy, I think this is an error. If you are going to wipe out the air arm of the navy altogether, then the move may be justified. However, the mere reduction of the air squadron as a means of saving a few hundred thousand dollars, unless there is a definite plan behind it, is not defensible in my opinion.

I understand the Kamloops ammunition depot is to be closed. I think there are other members who will have something to say about that. However, there has been a lot of money spent on this depot—this applies to a lot of these other installations that are being closed—and it was put there for a definite purpose. I feel that pretty good reasons have to be produced for closing these various installations before it is possible for the members of this committee to accept their closing in this way. The same thing applies to Longueuil, to the repair facilities at Sydney, to the installation in Newfoundland, and so on. Until we have had an opportunity to find out definitely what is being done, and particularly until the minister produces reasons which are acceptable for the closing of these installations, we have to look at this process with a very hard eye indeed.

Now, we come to the army. The turning of the northwest highway system to public works is something with which I would thoroughly agree. I must say that I attempted to do that during the time I was minister of defence. I did not believe it was a commitment the army should continue any longer. In fact, we probably should have given up some time ago. However, this brings up a question with which I think the committee ought to concern itself, and that is how much of the $40 million or $50 million of savings, which the minister is alleging in these reductions, are going to be actual savings and how much are merely transfers to some other department. I think a close examination will reveal that there is a great deal of what is represented as savings which are not really savings at all but merely transfers to some other department.

In addition to the northwest highway system, there were certain airports and other installations which were being turned over for operation to another department. Then, there was the closing of Fort Churchill. So far as the army and R.C.A.F. are concerned, this appears to me to herald the end of cold weather training and research. I regret this move from that point of view. I think we have made a very distinct contribution to the entire NATO alliance by maintaining the facilities at Fort Churchill, particularly for research under cold weather conditions, and to determine what military personnel and equipment can do under these cold weather conditions. I feel that the closing of this installation is probably a very shortsighted policy in view of the great amount that is still to be learned, and needs to be learned, so far as operating under extremely cold weather conditions is concerned. This action is something which I believe needs a very good explanation before it can be accepted by this committee.

Now, I see that my time is getting rather short so I will go over some of the other matters rather quickly. I should like to protest particularly the closing of the repair depot at Calgary and also the closing of the auxiliary squadron there. This action will remove the R.C.A.F. entirely from a city which has been one of the great supports of the R.C.A.F. before the war, during the war and following the war. I can say nothing more than that I think it is a serious error and I protest against it. Once more, I should like to see reasons produced for this action.

I believe that the most serious criticism that can be made of the reductions the minister has announced relates to the reduction in the reserve force. So far as I can see, these reductions are designed to cut the reserve force by about 50 per cent. This is going to destroy this force which throughout our history has been the basis for our military build-up in time of emergency. I completely fail to understand the reason for destroying the reserve force in this country. I think there is no question but that this move indicates a definite change in policy, and I think the minister should announce that this is the case.

The cutting down of the army reserve to a maximum of 30,000 men, which I understand is the objective, means that the policy of using the reserve force for survival operations has to a large extent been thrown out the window. In other words, the whole emergency measures organization set-up, on which a large amount of money has been spent, has been

abandoned. This must be the policy or otherwise there would not have been such a serious reduction so far as the militia is concerned. As I have said, throughout our history, our military build-up has always been dependant upon the militia. So far as the immediate defence of Canada is concerned, the existence of a militia reserve is essential in order to get a sufficient number of men and units who are trained or semi-trained in the event of an attack on this continent. This is particularly true in the event that there should be a nuclear attack on this continent and there is a need for survival operations. Instead of reducing the number of the militia, the minister should be increasing the number.

I take particular objection to the reduction in the reserve force because during the time I was minister I made every effort possible to build up the morale, the spirit and the strength of the reserve force. I believe we had considerable success in that regard. I think there is no question about it, the comparatively small amount of money spent on the reserve force in comparison with the total military budget, is the best value we get for our defence dollar. I suggest to the minister that in cutting the reserve force to such a serious extent he has begun to make cuts, in an attempt to cut down defence expenditures, in the very worst way he could possibly have gone about it. I believe the minister said a total of about $5,250,000 would be saved in this way so far as the naval and R.C.A.F. reserve forces are concerned. I would estimate that about $5 million to $10 million would be saved by the reduction in the army reserve force. In comparison with the total budget of $1,500 million, that is a comparatively small amount and it destroys morale to such an extent, not only in the reserve force but in all the military forces, that it cuts down the ability to recruit and to build up rapidly in the face of emergency. I believe this is a completely unacceptable method of cutting defence expenditures. I plead most earnestly with the minister and with the government to wipe out this part of the program and to maintain the reserve forces, at least at the level that they have been during the past several years.

As the debate progresses I expect there will be a number of other matters on which I will wish to make comments, but at this particular time in closing I would like to point out that I have not dealt with general policy. However, if the debate develops along that line I should certainly like to present my views in that regard.

Mr. Groos: Mr. Chairman, I am one of the newcomers to this house. Up until just recently I spent my life as a sailor in the Royal Canadian Navy, and let me say before anybody else gets a chance to say it, I am still at sea with regard to many of the activities that go on here.

This is the first time I have spoken in this chamber but I have served on a number of committees, and I know you will understand me when I say that, for me, the most interesting one is the defence committee. I should like to talk about this for a moment and, if you would permit me, I would like to take a short while to reminisce. I served as a very young man on a ship, the H.M.S. *Hunter,* a destroyer in the British Mediterranean fleet. For some 23 years now she has been lying at the bottom of Narvik fiord with most of my former shipmates.

We had a motto in that ship which somehow captured our imaginations and united us as one body. I often remember it. It was "To strive, to seek, to find and not to yield." In my opinion this would be suitable in many ways as a motto for the defence committee, so many members of which I see in the house tonight. So many of us are veterans that I feel we are drawn together by our common experience, and to me there is a very obvious wish to set aside many of the differences that plague us in this house and to get on with the job that a defence committee is supposed to do—to get on with the job that has to be done. We all know that we are facing a most difficult problem, and I think we are generally striving and seeking for the answer.

My riding of Victoria, which contains both a permanent army garrison and the Esquimalt navy base, has long and close military connections. We do most of the shipbuilding on the west coast, and altogether I suppose there is no town in Canada as affected as we are by shifts of defence policy. Not only are the servicemen affected, but our shipyards employ some 4,000 men, and their wages are a major factor in our economy. I must admit that the recent decision to purchase three submarines in Great Britain, which came as it did on the heels of the cancellation of the frigate program, came as an unexpected blow to me and to the people of my riding.

Victoria is going through an anxious time while the government decides what course it is going to take in defence, but the restraint which the people and the press of Victoria have shown so far demonstrates their understanding of the situation and I as their member appreciate this more than I can say. But I cannot stress too strongly that once a decision on defence policy has been made, some speedy and imaginative action on the part of the government will be necessary to

pump new life into the defence industries in Victoria and elsewhere, if they are to be kept alive.

Coming back to the defence committee, Mr. Chairman, I get the feeling that perhaps too much may be expected from it. The developments of science and technology over the past 20 years have made so-called defence experts out of anyone who wants to voice an opinion, for the very understandable reason that there are just not any comprehensible rules of defence and war any more. One is dealing these days with speeds of thousands and tens of thousands of miles an hour, and with hundreds of millions of tons of explosive power, and these are almost beyond ordinary human comprehension.

The point I am getting at is that we on the defence committee, and I certainly include myself, are not experts on military defence and we do not pretend to be. Through our travels and our briefings we can become well informed, but I think that is about as far as it can go, and it would be wrong to expect us to be specific and detailed in our advice or in our observations to the House of Commons. I would suggest that we have, however, a very useful role to play in pointing out some general signposts and some general guidelines for defence policy. I believe that is what we are trying to do.

The committee has not yet presented any report. I do not want to anticipate it, but I did want to point out that there are limitations to what the committee can rightly be expected to produce when it has built-in restrictions on the type of information it can acquire and when it has been in existence only such a short time.

I would like to support the suggestion of the hon. member for Fraser Valley that consideration be given to making this a permanent committee of the house, and now I am going to leave that subject because my time is limited.

It may interest some hon. members to know that in recent months I have been twice to Europe with the NATO parliamentarians, and while over there I was fortunate in being one of those who were able to travel from the northernmost tip of Norway to as far south as Turkey, which is the southernmost hinge of NATO. I also visited our Canadian army brigade and R.C.A.F. wing in France and Germany.

As a navy man I naturally went prepared to be critical, but I agree in all sincerity with the remarks the minister has made. We have every reason to be proud of our servicemen. All over Europe, from every quarter, we were complimented on them. They are held in the highest regard by the military and by civilians alike, and we were gratified, but not overly surprised, to hear that their contribution to European defence far outweighs their numbers. I particularly noted how high their morale was. They are giving a good account of themselves and, while this is not news, I want to pay a tribute to them in this house.

While our Canadian forces are playing an important part in Europe, I must confess that in recent times I have felt that perhaps we should be paying greater attention than we have to defence on and around this continent, where I believe we have an even bigger role to play in the future. There is no doubt in my mind, and I think it is generally agreed, that it is what I call, for want of a better term, the weapon and defence equilibrium between the east and the west which provides us with our peace today, and which will continue to do so until some better arrangements can be made.

Today the heart of western defence is on this continent. Where do the nations of Europe look when the chips are down? If this is the case, then it is of vital importance to us all that this equilibrium be maintained at all costs and that our western side of the balance, particularly that major portion of it which lies on this continent, be given special care and attention.

I do not think there is much argument that the two main threats to both the east and the west are the other sides intercontinental ballistic missiles and missile carrying submarines. Against neither of these at the moment does there appear to be a satisfactory defence. But I am convinced, by the evidence of history and by the information we have gathered in committee, that a defence against both of these will be developed some time in the future. Enormous efforts are being put by both the east and the west into finding this solution. It will come, probably discovered by both sides at about the same time, and when it does the defence equilibrium must be quickly re-established. Because of our geographic position, next to the core of the western alliance, we Canadians will most assuredly have an important part to play, and if we are not prepared to take on the job, the United States or even NATO itself will demand the right to do it for us; and I cannot believe that Canadians would want that. I am making this point at some length, Mr. Chairman, because there is a not unnatural disposition on the part of all defence planners to discount forces for which there is no immediate urgency. I can understand this in view of the high costs involved; but security, we all know, is not cheap and efficient military forces, be they navy, army or air forces, just cannot be created or recreated overnight. They are the product

of years of training and experience, and if there is a foreseeable need for them in the future, we destroy or debilitate them at our peril.

I believe there is a need, a foreseeable need, for all our armed forces, but I am thinking of the navy particularly at this moment because they have come in for some pretty hard knocks lately and because dealing with half of the problem that I outlined, the missile-carrying submarine part, is their business. We have an admirable navy which is only now beginning to realize its full promise. Our Canadian navy has made a specialty of antisubmarine work—and it is good at it; make no mistake about that. If it is not capable at this moment of coping with fast nuclear powered submarines, I venture to say it is because this is a comparatively new threat and the R.C.N. has never been provided with a means of developing this capability. The threat is there; it is a threat that lies off our coasts perhaps today, and it is a major threat to the entire western alliance both now and increasingly in the future. I suggest that we will be shirking our responsibility if we do not busy ourselves right away with the task of preparing in earnest to meet this threat. I suggest this is no time to cut down the capability of our navy and I am glad to see there is nothing, to my mind, in the minister's statement today to indicate that the navy's capability is being permanently cut back. Bearing in mind the facts of the present and the probabilities of the future, we should in my view provide our navy with the type of naval vessels, equipment and research facilities which it will use, and use well, to meet and beat the threat. I do not think Canadians realize what outstanding men we have in the submarine, antisubmarine and research fields.

As I see it, as parliamentarians our duty to the nation in this regard is quite clear, and I for one have every confidence that this government will act in a responsible and satisfactory manner in facing up to the facts when early next year it reveals its defence plans for the future. I think, Mr. Chairman, we can all see the necessity for change now in the armed forces if we are to make progress in the future. There are some difficult days ahead for the minister, but the job has to be done and I am sure no hon. member of this house envies him the job. After all the talk and advice is over, it is the minister who has to make the decisions, particularly the hard ones. It is he who has to wring the last cent's worth of effectiveness out of the defence dollar, and he has my sympathy and support. We make no contribution to security if as a nation we go broke on defence.

Finally, Mr. Chairman, with reference to the minister's statement this afternoon, I am pleased that Royal Roads will continue as a service college but I am saddened to think that the naval reserve division in Victoria is to be disbanded. I am sure, however, that its past and present members, most of whom I knew so well, will agree to disbandment, if in its passing there will follow a real contribution to the future well-being of the naval service in Canada. The urgent requirement today, surely, is for military forces in being, ready to go at a moment's notice.

I think I am right in saying that the Victoria naval reserve division, now called H.M.C.S. *Malahat,* was the first to go on active service in world war I, and I have a feeling that we have not heard the last of it yet. This prompts me to end my remarks with a question to the minister, and it is this: Should the former members of the reserve division in Victoria organize themselves into some sort of supplementary reserve or association which would permit them to continue their contact with the naval service, would the minister consider allowing them to use some of the naval facilities now in Esquimalt, provided this can be done at no cost to the crown?

[*Translation*]

Mr. Martineau: Mr. Chairman, as a member of the special committee on national defence, I would like to seize the opportunity afforded by the study of the credits of the Department of National Defence, in order to say a few words about these credits, and about the task of the special committee.

As the members of the committee already know, we have had the privilege of visiting a few European countries which are members of NATO. We saw on the spot the progress accomplished in the defence set-up of the European continent, and we studied the condition and the role of the military forces of the alliance.

Those who have occasion today to visit western Europe, cannot fail to be struck by the revival of countries which were terribly ravaged by the war of 1939-45. They are also able to ascertain that the Atlantic alliance has proved a success, in so far as it prevented western Europe from being drawn into the communist orbit.

I think that the alliance has inspired the fundamental policy of the European members of NATO, and that it should consequently be protected.

By shedding completely all spirit of partisanship, the members of the special committee on defence have become capable to praise on the one hand the success of the alliance, and on the other, the fruitful contribution that our forces in Europe allowed us to make.

Mr. Chairman, the members of the committee have also been impressed by the clear-cut policy of the majority of the European countries in NATO.

This, by contrast, throws sadly into light the lack of firm policies of our country, and more particularly of the present government, concerning our true role in matters of defence.

Mr. Chairman, it is possible of course not to be entirely in agreement with the aims, the policies and the objectives of some of our allies, but we cannot fail to see that they, at least, have a clear and well-defined program, and seem to know where they are going.

Let us look at the situation in France which is one of the main powers of NATO, and which, under the guidance of President de Gaulle, is following a policy of nuclear arms, which she calls her program of "independent deterrent".

There is no doubt that France is today a nuclear power and that, in a few months or at the most in a few years, she will have an independent nuclear deterrent, and will be able to drop nuclear heads on any enemy territory.

In the field of defence, most of the efforts of the French are aimed at this very definite objective. A few allied countries approve that attitude while others condemn it.

And if you go to Germany now, you will find there again a very definite defence policy aimed at the reunification of the German soil, the protection of Berlin against communist aggression, the defence of the German territory, that of West Germany. It favours also the creation of a European nuclear force under direct NATO control, and the German authorities leave no doubt that they intend to pursue that objective.

The members of the committee also went to Denmark and I am of the opinion that the primary aim of that short visit was to see the part that a small country could play within the alliance. With a population of only four or five million people, Denmark does not expect to play a major part within NATO. In view of the strategic importance of its geographical situation in Europe, the Danish government is totally opposed to any form of nuclear armament whether it be the storage of nuclear warheads on its soil or the equipment of the Danish forces with offensive nuclear weapons.

The stand taken by the Danish government is very clear on that matter. It is opposed to all nuclear arms of any kind, as far as the Danish soil or the Danish armed forces may be involved.

And I remember, when a member of the committee asked one of the chiefs of staff what would happen in case of a sudden attack from an enemy nation, the answer was: in case of emergency or attack, do not fear, we will get our nuclear equipment early enough. But until war breaks out we will be unswerving in our determination to oppose any acquisition of nuclear arms for our country.

Mr. Chairman, I make these remarks to indicate that it is possible for some countries, whose interests may be quite divergent, to work out a defence policy consistent with their needs.

As far as our country is concerned unfortunately, I regret that we were not given by the Minister of National Defence a clear and specific statement on the Canadian defence policy.

The minister commented this afternoon on the military situation of Canada, but his remarks were a strange contrast with the things he did not mention.

For example, at a conference in Toronto, he stated—and he repeated the same thing here —that the military requirements of Canada were under study and the military situation was a subject of constant study by himself and his experts.

But he seems unable to derive from his studies the elements that must be selected to work out our defence policy.

As a matter of fact, the minister this afternoon has not given us any idea of the necessary steps to protect the Canadian territory and the rest of North American territory. He said nothing at all about that.

He did not talk either of the most effective part our military forces might play in NATO.

He also ignored a current topic, namely the integration of Canadian armed forces.

And he did not say a word of the future role of the Canadian navy, the air force, and research in military technology.

Mr. Chairman, I believe that instead of laughing during our remarks, the minister should rather listen to them. Since he is introducing his estimates for the first time, he should make an effort to give the committee members and the Canadian people an outline of the way public funds allocated to defence are spent.

The minister stated that 77 per cent of the estimates were for the maintenance of the Canadian armed forces, while only 16 per

cent are earmarked for designing and developing new weapons and for supplying our armed forces with the required equipment as well.

Mr. Chairman, I am of the opinion that something is rotten in the state of Denmark. It seems to me that too large sums are spent for the maintenance of the armed forces. In other words, it is much too expensive to train a soldier and to get him ready for action.

And although the estimates of the Department of National Defence account for 25 or 26 per cent of the national budget, I think Canada does not spend enough to keep up to date as regards military technology.

It is recognized today that defence is mostly ensured by technological facilities. Military technology develops constantly, and a country which does not devote the necessary amounts to research in military fields, economic fields and others, will certainly lose its rank among the progressive and industrial powers. And Canada, unfortunately, is in the process of so doing, in military fields as well as in others.

Mr. Chairman, I believe it is time the government revise entirely its attitude on defence and give a clear and unequivocal reply to the questions which the Canadian people ask themselves, and rightly so, as concerns their constantly threatened security, should no attention be paid to it.

Mr. Chairman, the committee members have also found other things in the course of their European tour.

For instance, it may be said the morale of the air division is excellent, that it has very well-disciplined troops. In fact, were they provided with the necessary equipment, they would be ready for combat. In brief, they are a credit to Canada.

There is nothing wrong with those troops. Our allies and the members of NATO all agree that the Canadian forces, whether they be the army or air forces, are first class troops in every respect.

But the minister has some problems to settle concerning the air division. He said a few days ago that a situation not very satisfactory existed, that is that half of the air division stationed in France did not have available the aircraft or the equipment required by those aircraft and so was prevented from playing the part which could be expected from it as a member of the NATO armed forces.

It is not enough for the minister to say that an unsound and regrettable situation exists. As a minister, he has the responsibility to settle that situation, and that, first of all, in the interest of the members of our air force, as well as in the interest of the defence of Canada and of the NATO nations.

But the minister gave no indication, neither in his speech the other day nor in his remarks this afternoon, of the steps he intends to take to settle that problem.

Now, as far as our land forces are concerned, no one can question the ability of those soldiers as fighting units. But those soldiers have not yet received the equipment they need to fully play their part and in fact—and the members of the committee had an opportunity to find that out—the equipment available to them more often than not is old, obsolete and in a conflict, could play neither a protection nor a defence role.

Mr. Chairman, that is an intolerable situation which the minister has the responsibility to settle without any delay.

There is also the matter of tactic nuclear weapons which are or would be available to the army and the forces joining that army in case of a conflict.

Mr. Chairman, the members of the committee were a little frightened by the unconstrained manner with which the members of the army use those nuclear weapons during training. In listening to some commanding officers reporting on the situation which would probably exist in case of real attack, you might have thought that those nuclear weapons can be used as any other conventional weapon, that if the enemy should attack in sufficient number, a division commanding officer would only have to give some order and the soldiers included in that division would immediately start using nuclear weapons. It seems to me another philosophy should exist about the hypothetical use of nuclear arms in case of war.

I know that the Minister of National Defence will say: that is impossible because nuclear arms cannot be used without the authorization of the highest authorities, possibly the President of the United States. It is no doubt true in theory but, in practice, the members of the committee got a very clear impression that the order to use those nuclear arms would come from the commanding officer at the brigade or expeditionary force level. Thus the danger of setting up nuclear bases and also the indescribable horror that would result from the start of a nuclear war. The danger is very real and it seems to me that our soldiers show an unconcern that almost shocks the observer with regard to the use and control of those nuclear arms. I would like the minister to give us some detailed information about that.

Personally, I feel that as far as the use of those tactical nuclear weapons is concerned, special units should be established which would be well trained to use those weapons in

case of war, would be aware of the consequences if they were used and would not use them unwisely in the confusion that an attack would create.

It seems to me that, in that regard, military leaders should get very definite orders from political leaders.

Mr. Chairman, we spend a great percentage of our total budget for military purposes. It seems to me that we should try very hard to reduce it, if possible, because a quarter of the total budget going for defence, that is too much. If Canada wants to play an influential part, it should direct its efforts towards the achievement of peace.

The other day, I heard about a project submitted by President de Gaulle to some of the main industrial countries: this project consisted essentially in an appeal to reduce military expenses by one half of one per cent and to use those savings for research on cancer.

I do not know whether Canada has received an invitation to join that group of countries, but I know that others were invited and reacted in a positive way. I have in mind the case of England, for instance, which immediately sent some of its military experts to Paris, as well as some specialists in the cancer field to study the possibilities.

Canada, which is a medium-sized power, should rather direct its efforts to attaining peace.

There seems to be some contradiction between the Minister of National Defence and one of his fellow members of the cabinet, that is, the Secretary of State for External Affairs (Mr. Martin), with regard to the creation of a mobile force operating under the United Nations.

Indeed, the Minister of National Defence admitted the other day that there did not seem to be much enthusiasm as far as a police force operating under the United Nations was concerned. This very morning, the Secretary of State for External Affairs very categorically stated that he favoured setting up such a force and that he believed Canada could play a useful part in that field. He favoured the immediate setting up of a Canadian force which would be available to the United Nations on request in any situation which would be considered a menace to peace.

Well, Mr. Chairman, it is through such actions that Canada, as a medium-sized power, with rather limited financial resources, will be able to play a useful part. It has often been said that this country is highly respected by all the others and more particularly by the important blocs within the United Nations. A great many of those new countries look to Canada playing a constructive role.

Well, Mr. Chairman, if we want to play a constructive part on the world stage, we should first be in a position to define our objectives, and no other than the minister and the government can do so, and wisely shape our policy.

I therefore ask the minister, before the discussion of his estimates is over, to give the members of this committee a full and unambiguous statement on the part to be played by this country in respect of defence, and to prove that the amounts asked for will be spent to good purpose, for attaining the true objective of this country, which is a durable peace.

[*Text*]

Mr. Hahn: Mr. Chairman, defence is a subject that is currently attracting widespread attention across Canada, and well it might. Defence expenditures consume approximately $1.6 billion annually. This is over 7 per cent of our gross national product. It is nearly one quarter of our national budget. It represents about $90 for every man, woman and child each year in this country.

It is obvious that expenditures of this order have a profound economic effect on our country. But defence is more than just plain economics. Defence is our only protection for our way of life. Defence is a factor that influences our relationships with all countries of the world, both east and west. Our activities in this field affect our strength when we bargain with other countries politically and economically.

Because of the importance of the subject I am particularly glad that the government, parliament and Canadians generally are taking an increasing interest in the problem. I particularly welcome the establishment of the special committee on defence that has been set up to study some of these topics. I think that already, through press coverage of some of our meetings, there is a greater awareness among Canadians generally of some of these problems. Not only is there greater awareness but I think there is probably also greater discussion of these problems. To me the increased interest and discussion are in themselves a pretty worthwhile result.

To deal in any depth with the problems of defence, Mr. Chairman, would require an outline of the threat that is posed against us, the strategy that has been devised to meet that threat, the alliances that have been formed to carry out this strategy and, finally, the part that we might play within these alliances. None of these topics is simple and, as we know, there are widely differing views on many of these things, particularly among some of the nations of NATO.

Some speakers have already given some background information in this area. I believe that at this stage this is as far as we should go. I think that we of the defence committee must first get together as a committee, hammer out our views and prepare our report. I think that a general debate before we do this would not be wise. In my view the report must cover all those topics having to do with strategy, alliances, Canada's part and many other aspects if it is going to be of any benefit.

The minister has promised to issue a white paper on defence early in the next session covering government defence policy. I believe this white paper, plus the report of the defence committee should provide good material for a first class, informed debate on defence policy and I hope that debate takes place early in the next session. Because of this I am going to resist the temptation to expound at length on defence problems, and instead wait until that debate.

Today we are dealing with the defence department estimates and it is not my desire to delay unduly the passing of these estimates. I do have one point, however, that I think is important, and in view of the minister's statement today I believe it is particularly pertinent. My point is that I believe our defence expenditures should be for one purpose only, that of providing the maximum useful defence effort for each dollar spent. I do not think we should confuse defence dollars with social capital. It seems to me that an attempt to solve social problems with defence dollars produces a second rate defence effort and a second rate solution to some of our social problems.

During the last few months there has been discussion in the house concerning the cancellation of the frigate program, the Penhold air base, the base at Churchill and other matters. Undoubtedly as a result of the minister's statement today there is going to be a great deal of discussion about some of the items he mentioned.

Much of the discussion has disturbed me. I have been disturbed because some of those who argue against these changes in our defence program do not argue on the basis of the military necessity of these changes but argue on the basis of the social and economic effects of the changes. In effect their argument is: "You cannot reduce this item, you cannot reduce this program, you cannot cancel this base, not because the particular item is needed, but because the communities surrounding it cannot survive economically without it." This approach of applying social reasoning to military problems is wrong in my opinion. I should like to make it clear, Mr. Chairman, that I am not defending or discussing the military reasons for some of these decisions. It is possible some of them might have been wise and some of them might have been foolish. This is not the point at issue so far as I am concerned. What is at issue is the basis we use for judging these decisions.

Canada cannot afford to spend all it wants or all it should on defence; no nation can. It is, therefore, vital that each dollar we spend be spent to the best possible advantage. In my opinion, this means applying the sort of techniques that are now called military cost effectiveness studies. We cannot afford to acquire, maintain or keep in operation an airplane, a ship, a weapon or a base that serves no really useful military purpose.

The government must make military decisions and it must answer for those decisions. I believe that a government must also be aware of the social problems which are raised in making military decisions, and equally a government must answer for the steps it takes to meet these social problems. But a government should not avoid making a military decision in order to prevent facing a social problem.

I hope that in the future governments will not be taken to task for changes in defence expenditures because those changes are going to hurt some section of the country. I hope governments will be taken to task for making a decision that hurts some section of the country, and for not taking some steps to alleviate that hurt. A government should be taken to task also, obviously, for making a wrong military decision. We must accept this split between the military effects of a decision and the social problems it raises. I believe, as a matter of fundamental principle, that failure to do this is going to result in wasted defence dollars and it will result also, I believe, in poor economic conditions because, defence dollars are an inefficient way of providing social capital.

There is a second important reason for accepting this principle and accepting it now. I think all of us in this country, in fact everyone in the world, hopes that some day we will be able to move in the direction of finally achieving disarmament. This is going to have a disastrous disruptive effect on our economy if we have not prepared plans in advance. If we are going to work towards this goal, we have to start now in preparing for its realization. No one knows if it is ever going to be militarily possible to achieve disarmament, but if it is, and if the military situation will allow this, then let us not be in a position where we have to let social problems stand in the way of achieving this goal.

I think if we are going to prepare now to move in this direction, we must first think realistically about the role of our defence expenditures. We must accept the fact that defence spending is for military purposes only. We must learn also to adjust our economy to the change in military demands. We have to learn to use the tools, some of which already exist, such as the economic council, technical retraining and the area development agencies as well as the Department of Industry and other departments of government, to alleviate some of the social problems that are going to result from changes in military spending.

If we do not develop these skills, if we do not develop our thinking along lines which will enable us to accept the fact that our military spending is only for defence purposes, then in the future we are going to be unable to adjust ourselves to the acceptance of any possible decrease that might be militarily possible in the field of armaments. We are going to be unable to develop this thinking and those skills which we will have to develop to accept disarmament, if that ever were possible. In addition to that, if we do not adopt these techniques, if we do not adopt this type of thinking, we are going to continue a course which will waste our current defence dollars and which will, I believe, lead to incorrect solutions of some of our social problems.

In the future, Mr. Chairman, I hope to hear lots of debate, lots of argument and lots of criticism of the defence practices of this and future governments, because the subject is important enough to warrant this. I hope that these debates, these arguments, and these criticisms will be based on sound fundamental principles.

Mr. Muir (Cape Breton North and Victoria): I wish to take this opportunity to say a few words on the estimates of the Minister of National Defence. At the outset, I should like to say that I am certainly not a defence expert, I do not profess to be one. In fact, I could fill a very large book with all I do not know about defence. However on behalf of my constituents, I should like to say a few words this evening with regard to the minister's statement. He said that the Point Edward naval base would be one of the establishments that would be closed. I was shocked and horrified, Mr. Chairman, by the minister's statement concerning the closure of this base. I wonder if he realizes the economic implications of this decision. The previous speaker dwelt for some time on the social problems connected with these decisions. He took the negative side, and I shall take the positive.

I should like to point out how important this base is to the people of my area. There are between 500 and 600 employees at this base. I understand that when the minister is through with his cutbacks and closures we will probably have only 100 left there. I may be wrong, and perhaps we will have 200. However, what will happen to the other 300 or 400? As I understood the minister's statement, he said that the navy had maintained a naval repair facility at Point Edward naval base in Sydney. In fact, the minister does not even know where the base is. It is not in Sydney at all, but is at Point Edward in the municipality of Cape Breton. He then said that this repair facility would be discontinued, but the navy would continue to operate the stores depot and record centre at this location. According to the minister, it is not planned to have any of the reductions in ship repair work at the Point Edward naval base take place until after the beginning of the new fiscal year on April 1, 1964. He is being very kind in this instance: He is going to allow these employees to have Christmas dinner.

Then, he goes on to say that this will ensure that operations at the naval base are gradually to be reduced after that date in relation to the development of alternative opportunities for employment. I hope the minister will tell us what those alternative opportunities for employment are in the Cape Breton area. I just hope that he will spell them out when he replies.

There will be adjustments involved, according to the minister, for some of those now employed at this base. This is another typically vague Liberal statement. In order to assist, efforts will be made, as the minister has said, to organize training and retraining programs in co-operation with the provincial government, wherever these will be suitable. I know that Bob Stanfield, the premier of Nova Scotia, has done a tremendous job in trying to retrain people and help them. However, I do hope the minister will tell me, after these people are retrained, where they are going to find employment in Cape Breton.

The minister makes another very clear statement when he says that other measures will also be introduced as they appear appropriate in the circumstances. I should like him to tell us what those other measures are and how soon they will be introduced. How soon will he, and the Minister of Labour who is also from Cape Breton, arrange to get these people back to work.

I would like to give the committee an idea of how important this is economically, and in this instance I would like to quote. The department gave me a reply to a question on October 16 indicating that for the last year of the previous Liberal regime the payroll

at Point Edward base was $1,856,851. Last year, 1962, it was $2,634,767. The minister should realize what this is going to do to the economy. I suggest that when we came into power in 1957-58 the plan of the previous Liberal administration was to close this base at that time, but the government after 1958 kept the base going and, as I have indicated, the payrolls were increased. The continuance of this base was brought about through the efforts of the hon. member for Digby-Annapolis-Kings and of the very efficient government of that day. I regret to say we do not seem to have an efficient government now.

I am no expert on defence but I do hope I can get through to the minister how important and serious this is to the economy. On June 10 of this year I asked the minister:

> What is the planned schedule of refits for Point Edward naval base for the next year?

The answer, which bears his initials P.T.H. on it said:

> The refit plan for Point Edward naval base calls for the refit of one frigate or equivalent at any one time making an approximate work load of three frigates per year.

I wonder what has happened to that decision. When the previous administration was in power the navy arranged at that time for a proper schedule of refitting, but I do not know what has happened since.

Again on June 17 this year I asked the minister:

> 1. What are the plans for the expansion of the magazine facilities at the Point Edward naval base?
> 2. What plans has the government for the expansion of other facilities?

He replied:

> 1. It is intended to expand the magazine facilities by constructing four ammunition storehouses, one ammunition laboratory, an access road and improvements to fencing in the magazine area.
> 2. It is intended to provide bulk storage for ships' bunker fuel and aviation gas with receiving and dispensing lines.

They went ahead and called a contract. Tenders were submitted; but then they cancelled that tender and did not do anything about the second contract. Today, however, they really did something. They are going to knock everybody out of work—and this, along with all the other cutbacks since this government took over, cutbacks in five or six different departments. In fact there was a cutback in the constituency of the Minister of Labour the other day.

This is the pitiful administration which said, "The Liberals have the answer." What answer are they going to give to these men who will be unemployed, and some of them have ten, 15 and 20 years service? Will the minister tell them, "Take a stand for tomorrow"? How are these people going to stand

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

for tomorrow? They will not have any jobs, to be able to eat. They will not be able to lie down, far less stand.

I just cannot understand this. Then there is the Secretary of State, and I am sorry he is not present tonight. Speaking at Summerside, Prince Edward Island on March 26, 1963, he said:

> A Liberal government will do everything to give this part of Canada equality in income and employment with the rest of Canada.

Is this the way they are going to do it? Is this the way the Minister of Finance is going to do it with his cutbacks and his crazy budget? The Secretary of State, again speaking at Summerside on March 26, as reported in the Charlottetown *Guardian* on March 27 said this:

> It is the Liberal policy to see that every able person willing to work will have the opportunity to earn a decent living.

This is the way they are doing it. They are just laying the men off without any consideration. Yes, they are going to keep them on for a few months until they recover from the shock and that is the end of it.

Speaking at Toronto on March 23, as reported in the Toronto *Globe and Mail* of March 25, 1963, the Secretary of State said:

> Canadians have to face three outstanding problems:
>
> —getting work for all Canadians;
> —maintaining security and peace in the world;
> —bringing about the unity of Canada with equality of citizenship for all.

Then he said:

> The Liberal party has answers to all these problems.

This is the way the Liberal party gets work for Canadians. Again, speaking at Summerside on March 26, as reported in the Charlottetown *Guardian* of March 27 he said:

> The Liberal program offers the people of Canada work and income security in peace, equality and unity.

My, my, these are wonderful words. I wonder how wonderful these employees will think they are, these employees who are going to be given—let us put it frankly—a kick in the pants by the Minister of National Defence and this inept and arrogant government. Why, Paul on the road to Damascus eventually saw the light, but I doubt if this Paul we are dealing with now will ever see the light.

Let us look at some other words that have been written about some of these illustrious and distinguished members of the cabinet. In the Edmonton *Journal* of October 1 we find these:

> Just what is a politicians' word worth? Judging by the sad performance by Mr. Hellyer, not very much.

Last week the Minister of Labour, who is one of my colleagues from Cape Breton, made a special trip to Cape Breton. He appeared on television, and in his Buddha-like manner he was very glad to try and take some of the kudos and credit for the establishment of a heavy water plant. I regret he is not in his seat tonight, but I suggest he should go down this week end and appear on television, and smilingly announce the closure of the Point Edward naval base. After all, it is only the right thing for him to do.

I would suggest that the minister of defence should go down too, but I doubt if he would be allowed to come back, or even to get across the causeway into Cape Breton island. During the last election the Liberal candidate who ran against me, and other members of his party, made many great, glorious, and as some people thought, honest promises. They were going to do wonderful things for the economy of the maritimes and Cape Breton island, but instead we have this dastardly crime perpetrated on the people of Cape Breton island.

I suggest that the Minister of National Defence is not alone responsible for what has happened today, and let me say to the Secretary of State and to the Minister of National Defence—you certainly have not heard the last of this episode yet. Let me say to the Prime Minister, and I wish he were here tonight, that I invite you, sir, with all your so-called bow-tie diplomacy and your bland little smile, to go to Cape Breton and explain in the most diplomatic manner you can the mess into which you have placed Cape Breton island and this country.

These are the people who tried to do their utmost to assassinate the character and the government of John Diefenbaker. So far as I am concerned, after so much has happened in the last few months, and with today's latest episode, I suggest that some of these persons who are prominent in the Liberal party are not even fit to polish the boots of John Diefenbaker.

Some hon. Members: Hear, hear.

Mr. Muir (Cape Breton North and Victoria): I ask the minister to reconsider this decision, to think seriously about what he is doing to the economy of Cape Breton island. As I have said before in this house, on the one hand they give; on the other hand they take twice as much away. There has been a great hullabaloo about the small part they played in the locating of the heavy water plant.

Mr. MacInnis: A very small part.

Mr. Muir (Cape Breton North and Victoria): A very small part, as my colleague from Cape Breton South says. Two hundred people will be employed there, whereas we have between 500 and 600 employed at the base at the present time, on an entirely different type of work, an entirely different type of employment. It is a different situation altogether. I do not think we can replace them, unless the minister has some ideas, which he has not disclosed yet.

Mr. Ryan: Mr. Chairman, would the hon. member permit a question?

Mr. Muir (Cape Breton North and Victoria): No, I will not permit a question. I will be rude and discourteous like most of the Liberal party when we ask questions. Talking about courtesy, I should have started my remarks by being rather courteous and extending congratulations to the minister on presenting his estimates for the first time; but I do not feel very courteous tonight—perhaps I am not a very courteous individual—so I do not want to be a hypocrite and extend congratulations, because I do not think the minister or the government deserve congratulations.

Some hon. Members: Oh, oh.

Mr. Bigg: It is time we had some fire.

Mr. MacInnis: Enthusiasm, at least.

Mr. Muir (Cape Breton North and Victoria): Let me suggest to Paul, this Paul I am thinking about, that a wise son maketh a glad father, but a foolish son is the heaviness of his mother—and indeed the Minister of National Defence is the heaviness of Canada.

I could go on at some length, and I will on another day. Let me assure the minister and the Prime Minister that they have not heard the last of this yet. In fact, Mr. Chairman, Harold Macmillan did not sleep with Christine Keeler; but he had to reply for Profumo and take the responsibility. I say this Prime Minister should go to Cape Breton and reply on behalf of the Minister of National Defence. In conclusion, I hope to see every organization of every type on Cape Breton island join together in a march on Ottawa to show this arrogant minister and this arrogant government what we think of this decision, this minister who replied to me a few weeks ago, when I asked whether there were plans for the expansion of the base, after jumping up in his arrogant, snarly way, and replied:

> Mr. Speaker, I am not aware of any plans for expansion, but I think this is the type of question which might wait until our estimates are before the house.

We have your wonderful reply, fellow. I hope—as I started to say—that every organization on Cape Breton island will join together in a march on Ottawa and show this arrogant government and this arrogant minister the strength of the condemnation we

have for the irreparable damage he has wrought on the economy of our area, and the tremendous hardships that will emanate from it. I invite you to come to Cape Breton; I invite the Prime Minister to come down. I will pay for the time you take on television to explain this decision, to explain to these people who are not going to be employed, and where they are going to get other employment. I see the minister listening most intently and I trust he will give every consideration to my request to reconsider the decision with regard to this base, not for my sake but for the sake of the men who are employed there, their wives and children. Let me tell you that when you are in Cape Breton you are not in Toronto or some other area of Canada, as far as employment is concerned. This base means much to the economy of Cape Breton and this decision is a most serious and dastardly blow.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Chairman, I have listened to a number of so-called debates on defence over the last ten years in this chamber, and we do advance. I realized how quickly we are advancing when I was listening to the hon. member for Cape Breton North and Victoria, because apparently we have now abandoned the pretence that these vast sums of money we spend on so-called defence have anything to do with defence; we realize now they are primarily designed to provide jobs for the people of Canada, which may be—

Mr. Smith: You mean you didn't know that before?

Mr. Cameron (Nanaimo-Cowichan-The Islands): No, I did not know that before. I knew that our Tory friends for five years made the pretence that they were spending the money to defend Canada, and I know that for 22 years before that our Liberal friends made the same pretence, and I know that the present Minister of National Defence is in a position to again start making the same pretence. But, as I say, we do advance, because the hon. member for Cape Breton North and Victoria has come out of the bushes and now we know what is the purpose of defence expenditures.

Mr. Muir (Cape Breton North and Victoria): The hon. member for Cape Breton North and Victoria was never in the bushes.

Mr. Cameron (Nanaimo-Cowichan-The Islands): I see.

Mr. Muir (Cape Breton North and Victoria): He was never in the bushes on anything.

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

Mr. Cameron (Nanaimo-Cowichan-The Islands): Oh, on anything. In the bushes is quite a good place to be. If I am annoying the hon. member—

Mr. Muir (Cape Breton North and Victoria): No, I am enjoying it.

Mr. Cameron (Nanaimo-Cowichan-The Islands): That is fine. Then I will suggest this is the basis upon which we should discuss these estimates. I sympathize with the hon. member in his concern for his constituents, and I suggest to him that his arguments are almost the same as the arguments that used to be advanced in Great Britain for relieving the aristocracy of that country from heavy taxation, because if they were taxed heavily they would be unable to employ so many footmen and housemaids as they would employ if they had a larger income. Therefore the effect on the economy of Britain would be very bad. The hon. member for Cape Breton North and Victoria suggests that we should not reduce our expenditures in this regard and should employ as many footmen and as many housemaids as possible. He does not seem to realize that if we employ these people in more useful ways, perhaps Canada as a whole might benefit.

I, like the hon. member for Cape Breton North and Victoria, make no pretensions at being a military expert. I have always been rather suspicious of the estimates of military experts, ever since I lost two horses for the government of Canada. In fact, I was almost before my time. Since my time they have put horses on the payroll: I took two of them off. This was almost 50 years ago, here in Ottawa. This is unveiling part of Canada's history, in what I am about to reveal. On this occasion I was sent with a number of my comrades to bring a number of horses from outlying stations into Lansdowne park. We were all given one horse to ride and another to lead. We were riding them bareback, I might say. The pair of horses that I had were not very well suited in their gait, and the one I was riding was much faster than the one I was leading. For this reason I was dropped off in the middle of the road, in the middle of the night. They vanished in the darkness and I said, "Well, I presume this is the sort of thing for which one gets shot at dawn. I had better get back and face the music." I trudged back to Lansdowne park, and mercifully the sergeant was blind drunk. He would not have known whether I had arrived with two elephants or nothing at all. From that day to this I have never heard of the two horses that I lost. I may say that for months I was in fear and trembling that at any moment I might be summoned before the authorities to answer for the two horses I lost. Ever since

then I have been a little doubtful about military experts and their estimates of costs, because if one can lose two horses 50 years ago I presume that you can lose several squadrons of aircraft now, without causing any more ripple of dismay.

Mr. Knowles: But they turned up on the payroll 40 years later.

Mr. Cameron (Nanaimo-Cowichan-The Islands): That may be, but I do not think these lived that long. I thought that I did a service to the Canadian economy and that some farmer in the Ottawa valley got a team of horses which he would not otherwise have had. He probably increased his production with the use of these horses instead of their being wasted on useless military exercises. Instead they were set to work producing food.

Our defence policies in this country are, of course, inextricably bound up with our general external affairs or foreign policy. That is understandable because although within three years we are going to be celebrating ostensibly the one hundredth anniversary of Canada as a nation, in actual fact I submit that Canada is really only 50 years old; that it was in the process of the first world war that we first began to have any realization of national identity; that that national identity was underlined some 20 odd years later in the second world war. Therefore it is quite natural that we should always be equating our sense of national identity with a military exercise of some sort.

That, I believe, may be the cause of some of our present diseases and troubles in Canada, that we have been unable to find a military role and have therefore begun to doubt the reality of our national identity. Because we have been trying to find a military role for years. We have been spending countless millions or billions of dollars on an attempt to find a role which does not exist. I say it does not exist because that is the opinion and the advice that has been given to us time and time again both by military and scientific experts, when they tell us there is quite literally no defence in war, that no matter what our vigorous and active young Minister of National Defence may try to do, even he is not going to be able to evolve a means of defence. This is an extremely difficult emotional concept for people to take. Always they think that if they look somewhere else they will find some way of defending us, that there must be some way. It is understandable, because this is the first time in the history of the human race that mankind has had to face the fact that there is no defence, that no matter what man does, no matter how much of his treasure and wealth and people's lives he may expend, there is no defence. Because there is no defence, there is, therefore, no real military role. Because there is no military role there is, I think, no sense of national identity in Canada.

I believe the search for this will-o'-the-wisp of a real military defence role is preventing us from really finding the worth-while role that Canada could be playing in the world today. With what tremendous fanfare of trumpets—perhaps that is not right because trumpets would not be wrapped up in quite so much wool—but with what éclat the Minister of National Defence announced the increase in Canada's aid program, to the staggering amount of about one tenth of the money we are spending on military expenditures. There is tremendous heart searching, and head scratching too, before any money is spent abroad, or at home, in developing the civilized aspects of our life. On the other hand, with what gay abandon we throw away a billion and three quarter dollars year after year, and year after year we have to admit to the fact that we get nothing for it if it were spent with the idea for providing defence for this country.

It may be that there is some sort of defence on the basis of the theory of the massive deterent, but if that is so we have played no part in it. I suggest that the speech of Mr. McNamara which my colleague from Vancouver East quoted today, and the speech of his subordinate Mr. Nietze some months ago, indicates quite clearly that if there is any validity in the theory of the massive deterrent it points quite clearly to the fact that the United States has everything which might deter any nation from now until doomsday.

However, I suggest there are other considerations to be taken into account too. History changes very rapidly. I note that, except for the lunatic fringe, practically every authoritative spokesman in the United States of America is now agreeing that we have moved into a new era. Someone remarked shortly after the tragic assassination of President Kennedy that there was one man who very few people seemed to realize had been placed in an extremely dangerous position because of this frightful event and that man was Nikita Khrushchev, who had risked his political life and neck—possibly more than his political neck—to reach a rapprochement with President Kennedy, and now had to do it all over again with the new President, attended by similar risks as in his attempts to reach a rapprochement with the late president. I think these considerations indicate that the situation for which the theory of the massive deterent was evolved no longer exists.

I have repeatedly suggested in this chamber that only an assessment of the leaders of the Soviet union as criminal lunatics would lead anyone to suppose that they would launch an attack on North America, to create in North America a radioactive desert with the certainty that in their own territory a similar radioactive desert would be created. Why we have to go on pretending that the men in the Kremlin are half-witted or imbecile, or that their counterparts in the United States are half-witted or imbecile, is beyond my comprehension. I suggest it is because we are stuck in this absurd situation of trying to find something that does not exist, and that is a valid military role for Canada and a valid defence position for Canada, that we are unable to move into the new world which we might achieve.

I was perhaps rather rudely making fun of the hon. member for Cape Breton North and Victoria when I started my speech. He was concerned for his constituents, and I should like to extend that concern to another group we must consider, and that is the young men in our armed services. It is not good enough to advocate, and I for one would not for a moment advocate, that tomorrow morning we heave them all out of the service and put them on the labour market. However, I suggest that there is another role for them in the world today, a role which Canada should be seeking and achieving. That role is helping toward the development of the undeveloped areas of the world. We have in our armed forces a large number of extremely highly trained and intelligent young men whose services could be placed at the disposal of world development today. These young men could play a role in establishing a real foundation for global peace that they can never hope to give us by their present traditional role in a military defence force. I was very much struck with the quality of many of these young men when I was in Europe this autumn. They were young men of definitely extremely superior capabilities, young men who would not only be first class ambassadors for Canada but would also be the very type required to aid the newly-emerging countries in the development of their democratic institutions, their economic institutions, in the development of their whole society to take part in this twentieth century of the modern world. That is the sort of thing we should be doing, not harking back to a situation that is hopelessly banished forever; or perhaps not hopelessly; it is extremely hopeful that it has disappeared completely. I feel very strongly that it is because we are wasting our time, our efforts and our treasure in the pursuit of this will-o'-the-wisp, this foolish chase after something which does not exist, that we are allowing a friction to arise in this country which need not arise. If only we could place the economy of Canada at the service of this world development we might be able to forget that we are English Canadians or French Canadians or any other kind of Canadians except plain, ordinary Canadians. We might be able to go even further. We might forget we are Canadians and remember that we are human beings in a world which is daily getting smaller—a world in which the concepts on which defence policy is based today are largely outmoded.

I do hope that the government of Canada will eventually become courageous enough to make the sort of dramatic and useful gesture in the world which would advance the cause of peace much more effectively than the nonsensical expenditure on which we are now engaged, expenditure which gives rise to equally nonsensical debates in this house during which we hear supporters of the previous government denouncing the present government and supporters of the present government denouncing the previous government in turn, neither of the parties being prepared to face up to the real facts of life in a world in which there can be no defence in the military sense of the word.

I hope to live long enough to see the Minister of National Defence transformed so as to carry out a more useful function than his present one, able to apply his energies to the pursuit of peace, not to the pursuit of a nightmare by means which have completely lost their validity. Let us move into the 20th century, not back to a situation which no longer exists. It might be difficult for the minister to face such a concept, but I suggest that within a short time the role he is playing now will appear to him and to every other intelligent person to be as ridiculous as the roles played in the early stage of human history when every part of the earth was divided into warring states whose people fought with their neighbours. Today, we laugh at those people. We say they are primitive folk. Let us not be primitive in our own time. Let us realize that the revolutionaries of the laboratory have been at work, that the world has been reduced to a unit and that we must live together as human beings or be prepared to have no future generations to enjoy the world which could be built if we were to stop playing with our expensive and dangerous lead soldiers today.

The Chairman: The hon. member for Lake St. John.

[*Translation*]

Mr. Lessard (Lake St. John): Mr. Chairman, in taking part in this debate this evening, I realize—

[*Text*]

Mr. Churchill: On a point of order; I know how fair you are in selecting those who are to speak, but may I point out, Mr. Chairman, that up to this moment there have been 12 who have spoken—four from the Liberal party, four from the Conservative party and four from the groups which are in the far left corner, whose total membership is only 41 out of 265 in this house. I think the rotation should now pass to the Liberal party and then back to ourselves.

The Chairman: The hon. member will realize it is not too easy in circumstances such as those we have in the committee now, to distribute speakers objectively and fairly. As the member has pointed out, we have had four speakers from each of the major parties. The Chair thought it might be fair to make a round of the small parties at this stage, subject to coming back to two or three, possibly three or four speakers from each of the major parties. That is why the Chair has recognized the hon. member for Lake St. John. Perhaps after he has spoken we shall revert to speakers from the two major parties.

Mr. MacInnis: On the point of order—and I have no intention of displacing the hon. member whose name has been called—am I to understand the Chair is working from a list?

The Chairman: The Chair is not working from a list. The Chair is trying to work as fairly as possible without a list. I might say the Chair has received names from the whips of certain of the parties, but this does not constitute a list. There are names received for the assistance of the Chair.

Mr. MacInnis: That is what is commonly referred to as a list.

The Chairman: I think the hon. member is wrong if he considers this to be a list. They are names which have been given, and there is no commitment.

Mr. MacInnis: I am not saying there is a commitment. But I say to the Chair that if there is a paper there with any names on it, the statement made by the Speaker that this house does not go according to a list of names is not borne out.

The Chairman: I do not intend to argue with the hon. member, but I have names before me and the Chair does not consider them to be a list.

[*Translation*]

Mr. Lessard (Lake St. John): Mr. Chairman, now that this dispute seems to be settled and the hon. members opposite are willing to let us state our views, I must say that I am pleased that we have, as elected members to this house with a fair majority, the right to voice our opinion, all the more as, since the setting up of the committee, I have attended all its meetings and followed its activities with an ever-increasing interest.

In my opinion, I am in a position, as well as any other member of this house, to make a worthwhile contribution to this debate.

Mr. Chairman, when considering the minister's estimates, we realize that this subject can give rise to many controversial discussions. Since this debate began, we saw some members take a rather radical stand against the decisions just announced by the Minister of National Defence.

As the previous speaker said, this enables us to realize to what extent our economy is based on a military organization.

In the course of my remarks, I would like to show to what extent the committee established by this house early in the session was in a position to play a useful part. It will be remembered that the establishment of such a committee was advocated by our group in previous election campaigns. We were very pleased to note that the present government saw fit to set it up as one of the first items of its program. The most satisfying feature was that members of the various parties who sit on the committee succeeded in keeping politics out of their deliberations. In my opinion, the committee's mandate was of such importance that political considerations had to be left out if it wanted the present government to act upon its recommendations.

I feel that the most serious question the committee had to examine was the advisability or importance of Canada's role as a middle power within NATO and in Europe especially.

During our discussions and also during the trip we made, we were able to appreciate how much NATO has done to maintain peace in Europe. That does not mean that NATO will be in a position to continue playing such an important role. However, in view of the stability which prevailed in the countries protected by NATO, we must acknowledge that, for all practical purposes, only the older countries and especially those of Asia, have enjoyed a certain degree of peace and have been able to rebuild their economies. It has been my privilege to realize that Canada has played a useful role in the sense that it has created in the minds of Europeans a spirit

which enabled them to rebuild their economy because they felt truly protected by their allies.

On the other hand, one can ask whether the maintenance cost of these units in Europe is warranted. It would therefore be wise to make a comparison with the one who pays for a fire insurance. Were he sure that no fire would break out, he would not incur such an expense. However, everyone of us is glad to pay a premium in order to have protection against any fire hazards. We make sacrifices in order to feel protected.

Up to now, what we have paid to NATO may have seemed forbidding, but I believe that it has amounted somewhat to an insurance premium which allowed us to live in a state of relative peacefulness, to generate a certain understanding among the peoples of Europe, and to induce at the same time the lessening of tension which we now enjoy.

The role this committee has to play is not to analyse what has been done in the past so much as to supervise what is being done at the present time, and in the light of acquired knowledge, to endeavour to determine what part Canada should play in the military field, in years to come. We have concluded agreements, whether they have been signed or not they are none the less agreements and, as gentlemen, we must honour them as long as conditions upon which they are based remain the same.

I think that we have agreements and that as long as these agreements last it is unlikely that the situation will change.

But we may anticipate that before a few years, perhaps three, four or even five years, the military situation will have changed enough to enable us to depart to a certain extent from the role we now play in Europe.

I do not think I would anticipate the forthcoming report of the committee if I made this remark, since the forces of France, Germany and other European countries are being restored day after day. If we consider that Germany, only in the last few years, set up a military force about 380,000 strong, I feel it is logical to conclude that in future we will play a token role in Europe to show our willingness to participate and our solidarity with our European allies.

However, we noticed that most of our servicemen in Europe seem to be satisfied with their living conditions. We noticed also the high degree of efficiency achieved by our military forces.

However, we were rather alarmed to learn that possible repatriation of our servicemen's dependents who are now in Europe, has not been considered in the event of war. I am of the opinion that the government should give its attention to this problem and find a solution to safeguard the security of Canadian civilians who are now in Europe with our servicemen.

In the introduction of his department's estimates today, the Minister of National Defence stated that he was contemplating a substantial reduction in the expenditures of his department by closing a great number of auxiliary bases and reducing the military forces.

Referring to his statement, we can conclude that the most affected will be the Royal Canadian Air Force. I do not think the minister is wrong in considering a reduction of amounts assigned to air forces. If we consider the development of arms which are now used, which are a threat to peace, it is sensible to conclude that the part assigned to the air forces will gradually decrease because the future threat seems to lie, for many years to come, in the availability to the two contending camps of nuclear weapons carried by guided missiles and nuclear submarines carrying Polaris missiles.

This, Mr. Chairman, leads me to the conclusion that, if we believe that Canada has a nuclear role to play, I think that it would be more logical if this role were to be a contribution to the cost of the expenditures resulting from the maintenance of the retaliation force that we have at present in the west.

It has been admitted, from all the evidence gathered, that there is no adequate defence system as such, and that our retaliatory power alone has been able up to now to maintain peace.

I am of the opinion, unless I have proof to the contrary and until other armament are produced, that we must stand by this acknowledgement of the facts. I submit that it is of no avail to allocate the nation's credits for military defence establishments which, after all, have no value.

Turning back to the announcement made by the Minister of National Defence to the effect that he will reduce the strength of some military establishments, I shall point out to him that all Canadians wish for a reduction of military expenditures. Besides, all members have expressed that wish.

All responsible economic bodies also wish that the government would reduce its military expenditures in order to balance its budget.

But, when the Minister of National Defence announces these reductions, some people seem to be personally affected and they rebel. I think that these people follow the theory by which when others are affected and they are not, they are satisfied.

Mr. Chairman, I can assure the minister that I myself and the members of my group, fully agree that we should work together towards reducing the amounts allocated for military purposes. But we must also take into account the fact that if we increase unemployment by reducing the amounts allocated for the defence of our country, we prove beyond any doubt that since the end of the war in 1945 we have maintained, without any good reason, an economic system based too much, unfortunately, on a military economy which, today, plunges us in a small economic crisis which seems to be only starting and which will no doubt be felt in various areas in our country.

It is unfortunate that such a thing should happen, but I think the present government will have to realize that it cannot reduce expenditures, thus creating some unemployment, without putting into effect at the same time a clear program devised to create jobs resulting solely from the industrial and economic growth of our country and from the development of our natural resources, since these are the only areas on which we can safely depend.

As a matter of fact, it is toward those sectors that European countries have directed all their efforts, since the end of the last conflict, and we have been able to appreciate the happy results achieved thereby.

Mr. Chairman, I believe we must consider that military problem in terms of the future, in the light of the changing relations between the various countries of the world.

If we study the economic philosophies which are put forth at the present time throughout the world, we can divide them in three groups.

First, there is the controlled economy of the totalitarian communist states, such as Russia and her satellites.

Then, there is the controlled economy which could be described as a modified socialist economy and which is to be found in central Europe. And we have here, in the west, the capitalist system.

I think those three philosophies will evolve. The two extremes will attract each other, which means that the communist group will evolve in the same direction as the central European group, towards a mitigated socialism. On the other hand, we, in the west, shall evolve in the same way, as, with the passing of the years, a multiplication of contacts, relations and travel between the various nations of the world will tend to erase boundaries.

I think we shall have to take up the challenge of a cold economic war, if we want to keep abreast of our responsibilities and that we shall have to consider a scheme for the development of energizing countries. This scheme should benefit those countries, and not the capitalist colonizing nations, as was the case in the past. We shall do it as a friendly country putting its technological knowledge at the disposal of people who cannot look after themselves.

Moreover, I am of the opinion that the amount of money we proposed to take from military establishment should be, to a certain extent, given to religious organizations, because I always think that in underdeveloped countries, the organizations which are best suited to help those regions are the semi-religious organizations that are on the spot and which, with the men at their disposal, can help those people to develop and to take their responsibilities.

Mr. Chairman, I agree with the hon. member who preceded me when he said that in the years to come, we shall see the various people in the world united.

In closing my remarks, I want to tell the house my personal impression with regard to that infernal contraption we call nuclear arms: those arms which we have cursed since their creation, that is for the past 18 years, I think, that we shall soon bless them, because they will contribute to restore somewhat the sense of responsibility of national leaders who, nowadays, may not take any uncompromising or irresponsible decision nor plunge their people into wars.

Mr. Chairman, the day is probably not far when we shall thank those who have created that infernal machine because it shall contribute to safeguard us from the blunders of a few invidious, a few proud people, such as others before us have known in the centuries and years past and whose decisions these have dearly paid.

Some pretend we may be able to ban those weapons. I say no, that we shall not be able to ban them because, even if we wanted to, I am sure if there were a conflict in which conventional arms would be used for a few weeks, if not a few months, later on, we would see those weapons reappear. We have them; let us look at them with their power of destruction, let us look at them with that bit of wisdom they are forcing on us, for they make us realize to what extent we are irresponsible when we plunge our peoples into war.

Mr. Chairman, with these last words, I am ready to allow the house to adjourn.

[*Text*]

Mr. Churchill: Mr. Chairman, we are prepared to go on for another half hour in view

of the interest in this subject, and in view of our anxiety to complete these estimates tomorrow.

Mr. Knowles: Mr. Chairman, there are quite a few speakers on the list. Do we gain anything by sitting another half hour?

Mr. Pickersgill: I think we gain a half an hour. There is a tremendous amount of work to be done between now and December 20. I hope hon. members would accept the excellent suggestion of the hon. member for Winnipeg South Centre, seconded by the hon. member for Winnipeg North Centre.

Mr. Knowles: I dispute the claim we gain a half an hour by sitting another half hour, but once in a while we have to yield to the blandishments of the leader of the house.

Mr. O'Keefe: Mr. Chairman, may I first congratulate the minister on his appointment and wish him well. I should also like to congratulate the previous speaker. I thought his was an excellent presentation, sensible, logical, and at least slightly patriotic. I wish I could say the same for some of the preceding speakers, particularly the hon. member for Cape Breton North and Victoria. He mentioned Cape Breton very often, but how few were his references to Canada.

I come from a very small province, probably the poorest, and we need many things. We have not got a $30 million heavy water installation.

Mr. Muir (Cape Breton North and Victoria): You have Smallwood over there, which is why you don't have anything.

Mr. O'Keefe: It is because we have Mr. Smallwood we have what we have. Mr. Chairman, it will be obvious I regret very much the decision of the Department of National Defence, especially with regard to Torbay, Newfoundland. It is particularly hard because this department has never had a very heavy investment in my province, despite the fact that we are right off the Atlantic and are the actual Gibraltar of the continent. Our defence installations were mainly American. But, we are not an unreasonable people. We know that the minister has had to make unpleasant decisions, but surely the Canadian taxpayers generally will be glad to learn that some of the unnecessary defence expenditure will be cut out. This, of course, is a very laudable course of action, if at the same time we do not jeopardize our national security.

We of St. John's have no illusions that money grows on trees. Far from it; we know the government must find the money for equalization payments to the provinces. In this respect, Newfoundland will receive well over an additional $3 million. We know someone must pay for an increase in the old age pension, in the blind pension, in old age assistance and in the disabled persons' pension.

We know that the federal government is now paying 90 per cent of the cost of completing our sorely needed trans-Canada highway. But the fact remains that the economy of my city cannot help but be affected in some way. St. John's, and indeed all of Newfoundland, asks the federal government to aid us in the development of our city and our province, and we do not ask as a pauper.

It might be of interest to some hon. members to realize that Newfoundland, if you think of it as a separate entity, as it was before 1949, is now Canada's third biggest customer, exceeded only by the United States and Great Britain. So, we ask for development, not for charity. Therefore this temporary setback on defence installation places a greater onus on the government to approach the problem of unemployment with even yet more vigour.

What will happen to the men who lose their jobs—the men who will be out of work? Surely some extra attention and consideration must be paid to them. An extra effort to find them alternative employment must be, and I am quite sure, will be made. Perhaps as a result of this very decision the acute problem of unemployment in my district, and in all Canada, will be brought to the attention of the government more forcefully. Perhaps, too, the Minister of National Defence will understand, if we look to him for sympathy and support when other proposals to assist my province are brought to the government.

Already we have had at least one department of defence ship come to our drydock in St. John's, the first in many years. I wonder if the minister, as a result of his difficult decision today, could not lend his weight to greater use of this drydock by the ships of our Canadian navy, and to a greater use of our harbour by ships of every department? The people of St. John's will understand this decision, but only if they see that the money so saved by the department will be put to other, more worth-while usage.

Indeed we hope the government will soon increase the family allowance, and soon keep our promise that this allowance will be paid so long as students remain at school. If this announcement of the minister will make this decision with regard to family allowance come sooner, then many will applaud.

Surely too, this unfavourable decision puts a greater onus on the federal government to launch an all-out attack to find a solution to the Bell Island problem. There are no doubt numerous valid ways in which the federal government could spend constructively in Newfoundland, and in the other nine

provinces. Therefore, if the experts tell us that we are spending this money uneconomically we are the first to want a change, because in our province as in others, there are many ways in which this money can be spent profitably, and if this cutback will mean this money will be spent more profitably in other ways, then we support it.

I have one last word, and it is that I hope the government is taking every possible step to ease the effects of this decision on the persons actually laid off. I would like to know just what consideration has been given to their investments in pension plans. I would like to know if any consideration has been given to ease any financial problems placed on those who have mortgage payments to meet and who might be required to move elsewhere.

I would also request the Minister of Labour to send a special representative from the national employment service at once, to assist in finding alternative jobs. I suggest that this be an extra assistance over and above that normally given. While we understand, we regret the necessity for this decision and, as a result of it, we will expect some extra effort be made to compensate for its temporary ill effects.

Mr. MacInnis: Mr. Chairman, early in the afternoon when the minister was making his remarks I feel that the Chair more or less jumped the gun when it came to the defence of the minister to halt questions that may have been asked, with the remark that the minister's time is limited. As I understand the rules of the house the minister, as spokesman for the department, has unlimited time at his disposal, and the opportunity to ask—

The Chairman: Order. The hon. member does not understand the rules clearly, because the minister was limited to 30 minutes.

Mr. MacInnis: For that I apologize, Mr. Chairman, but nevertheless by custom, and during the questions that were put this afternoon the following speakers showed every willingness to yield the floor in order that the questions could be put—

The Chairman: Order. The hon. member realizes that the Chair is bound by the standing orders.

Mr. MacInnis: Mr. Chairman, again I apologize. I only hope that in the future this binding will continue. Now, during the remarks of the hon. member for Vancouver East this afternoon, a remark was made in the committee about defence spending, in the terms of something about peanuts. It was picked up and repeated by the hon. member for Vancouver East. I do not imply that he meant to be derogatory in any sense, but I would like it clearly understood that the remark passed at that time came from directly behind the speaker and should not be attributed in any way to any member of this party. It will show in the *Hansard* report tomorrow.

I would like to make reference to the last speaker for a moment and the remark he made about the speech of the hon. member for Cape Breton North and Victoria. He referred to the fact that he had much to say about Cape Breton. I find no fault with any member of this house who stands up at any time and fights for the welfare of his constituents.

Some hon. Members: Hear, hear.

Mr. MacInnis: Whether it is a mass lay-off or whether it boils down to one individual, the rights of the individual are just as important. It does not matter whether he is laid off his job as an individual, or is laid off with another 500 or 1,000 men. It does not matter to him whether he has company in being laid off; the fact remains that when an individual is laid off from a job I think it is the duty of every individual member of this house to make any representations he can on behalf of the individual.

Having made this point about the member from Cape Breton North and Victoria, and saying that he spoke a great deal about Cape Breton and nothing about Canada, he then launched into the subject of Newfoundland and did not get off that island until he sat down, after reading every word of the speech that was prepared for him by somebody else.

Mr. Cashin: That is what he was sent here for, to fight for Newfoundland.

Mr. MacInnis: Good for him; I do not deny him that right. But if he wants to do that for Newfoundland there is no reason why he should take exception to another hon. member fighting for Cape Breton. I would ask the hon. gentleman from Newfoundland—

Mr. O'Keefe: Mr. Chairman, on a question of privilege—

Mr. MacInnis: —to look into the remarks of the former member from—

The Chairman: Order. The hon. member for St. John's East is rising on a question of privilege.

Mr. O'Keefe: Mr. Chairman, the hon. member suggested a moment ago, or stated quite bluntly and unequivocally, that I had read every word of a speech that had been prepared for me by someone else. That is simply not true.

Mr. MacInnis: Mr. Chairman, the rules dictate that I shall have to withdraw that remark. I will withdraw it to the point of whatever integrity I can place on my own remarks, and say that the hon. member for St. John's East was reading every word of the speech he had before him. He never got off the island of Newfoundland, but he criticized the hon. member for Cape Breton North and Victoria for fighting on a local issue affecting the island of Cape Breton. Going along with the wealthy young member for St. John's West, I am not taking exception to the fact that the hon. member for St. John's East was fighting for the people of Newfoundland; but I do take exception to the fact that he criticized the hon. member for Cape Breton North and Victoria for fighting for Cape Breton.

I suggest that in the case where the United States government saw fit to withdraw from Fort Pepperrell, hon. members should read the remarks of the member who represented St. John's at that time and see the effort and concern he showed then for the people of Newfoundland. I might also refer them to the remarks of the premier of Newfoundland and what he had to say when the Americans withdrew from Fort Pepperrell. I would look forward to seeing the same remarks made by the premier of Newfoundland with reference to the withdrawal by this government. I should now like to deal with what the minister himself had to say this afternoon. I would at once remind this committee—

Mr. Cashin: Mr. Chairman, would the hon. member permit a question?

Mr. MacInnis: We are sitting an extra half hour. The time is very limited tonight. I will have more to say tomorrow. I will have time then, and I will handle whatever questions the wealthy young man wishes to ask at that time.

An hon. Member: Wealthy in brains; not like yourself.

Mr. Nesbitt: A party of bureaucrats.

Mr. MacInnis: Mr. Chairman, would the hon. member who made that remark care to rise to his feet and identify himself?

The Chairman: Order. Would the hon. member resume his seat, please. The remarks being made are not perhaps conducive to the good order of the house and I would ask hon. members on both sides of the house to concentrate on the item that is before the committee at the moment.

Mr. MacInnis: I appreciate your thinking on the matter, Mr. Chairman, but as I heard that remark it was very personal and I think the hon. member who made it should rise and withdraw it; or if he cares to repeat it, I will see what I can do about handling it at a later time.

I will continue with my remarks. One of the first remarks made by the Minister of National Defence this afternoon was nothing less than a complete denial of the words his own Prime Minister spoke previously in the house. With regard to the defence committee, everybody is well aware of the fact that when the defence committee was set up the words of the Prime Minister at that time were that the committee was to look into all aspects—I repeat, all aspects—of defence matters. This afternoon the Minister of National Defence referred to the committee as looking into "various matters". This is exactly what has taken place. This committee is unlike committees set up by other allied nations which have defence committees. All such committees working under other governments have the opportunity to examine every bit of evidence that is available, including classified information. But this minister and this government have denied the committee set up by this house—and they made a big noise about setting it up—classified information; and well they might, when they consider what the present minister did while in opposition. This is the minister who I consider individually is the greatest threat to security in this country. And why do I say that?

An hon. Member: Louder.

Mr. MacInnis: If you are having trouble, go wash out your ears. I say it because the opportunity to seek classified information was open to him while in opposition. This same minister, with his arrogant attitude, came before this house and is recorded in *Hansard* as having said he could not understand why it was classified and he was going to take the responsibility of repeating it. If that is not a security risk, I do not know what it is. It is a security risk for which in other free countries he would be placed behind bars.

Some hon. Members: Oh, oh.

Mr. MacInnis: They are "oh'ing" and "ah'ing" over there. It is rather nasty of me to say this, but this is a nasty situation. This afternoon hon. members referred to the minister's decision as brave; they said it was a brave decision. It is a gutless decision; because when he was in opposition he had all the answers and all the cures, and what he has brought forward now is sickening. It is not a cure; it is a sickness. Why do I say it is a sickness? This minister is aware of the situation with our allies in the NATO set-up. I defy any member of the defence committee,

any member of that party or any member on that front bench, to rise and deny that the attitude in defence among the allies today is one of the deterrent, and the deterrent is made up of nothing but tactical weapons, I.C.B.M.'s and the like. In other words, the approach of the allies on the matter of defence boils down to nothing but "a good offence is the best defence." These are all offensive weapons held as deterrents in order to prevent an outbreak of war in any part of the world. I say again, they are offensive weapons.

If the minister wants to make a brave decision, to which he and his government have already committed themselves, why not get rid of the Bomarc? I say that for the reason that the Bomarc is nothing but a defensive weapon with a very short range. Its capabilities have been discussed before the committee, and every capability of the Bomarc has been questioned from one source or another. As a defensive weapon it does not belong in the arsenal of the NATO countries. They are depending upon tactical nuclear weapons, I.C.B.M.'s and the like. In addition to that, the savings—as I followed the minister's remarks this afternoon: I did not have too much opportunity to add up the particular savings—of maintaining the Bomarc I understand will be in the vicinity of $37 million. I should say, of keeping the Bomarc, because after all this was a housekeeping presentation which the minister made. Not counting maintenance and other costs involved I understand it is in the vicinity of $9 million a year. What about the other facilities involved? Owing to the fact that the Bomarc is still not armed with nuclear warheads, why does the minister not make a brave decision? The government had already committed itself to negotiating out of the agreement and doing away with the Bomarc, so possibly we could salvage something from the cut-backs he has made today.

The minister talks about withdrawing ten ships from naval duties. After withdrawing them he then maintains there will still be adequate support for the fleet. I would ask the minister to explain who gave him such advice. He has already announced the scrapping of the frigate program. We have heard the former minister of defence speak about this program and at the time he was minister it was considered a substantial program for the next 20 years. Who is advising the minister to make these cut-backs, and why? It is not the navy which advised the cut-back of the frigate program. Admiral Rayner appeared before the committee and gave his thoughts on the matter. Yet the minister decides to withdraw from the frigate program and now says that ten ships are to be withdrawn from the navy. It is very surprising that this minister made that decision in face of this advice from the senior admiral in the navy. It might also surprise the minister to know that this was a program in which the British government were very much interested. I call his attention to the committee reports of what was told us while in Britain by the upper echelons of the British defence department, wherein he will find an indication that the United Kingdom were very much interested in this program. They would not have been interested in the frigate program, Mr. Chairman, unless that particular program had merit, because I cannot imagine the British wasting their time on this program unless it was thought a worth-while one.

So here we have a minister who had failed to advise the committee where he is getting his advice on these matters. The minister said on one occasion that a remark he made before the committee did not show up as such in the committee reports, but the same minister has the audacity, in view of remarks he made when he was on this side of the house, to suggest we forget the remarks which he made in respect of defence. We were supposed to time the matter by the calendar, but I prefer the watch. Since it is the minister's advice that we should forget what he said about defence I will continue to forget it, because in my opinion he does not know very much about what is going on, in view of the fact that he is defying advice of a senior admiral with respect to the frigate program. Now he has branched off on this cut-back program. As I say the government has committed itself to negotiate out of the Bomarc problem—and it is a problem, because it does nothing for the defence of North America.

The hon. member for Vancouver East referred to what Mr. McNamara said about the Bomarcs, and we know what his intentions were. On one occasion he said it was a decoy. This minister is the same hon. member who on many occasions concerned himself about Canada's image abroad. His great slogan was: "Save Canada's image abroad". It appears to me that to save Canada's image abroad today calls for a very big sacrifice. It calls for the sacrifice of the personal image of Canada and Canada's own integrity. The government have considered nothing of their attitudes on defence and other matters in respect to the people of Canada; they only try to continue to pull the wool over people's eyes in respect of matters they consider in the honour of Canada's image abroad.

I would not want it thought for one moment, Mr. Chairman, that we are not grateful

for the very small part the federal government has played in announcing the fact that the government will purchase heavy water from Cape Breton. I know this news was gratefully accepted in Cape Breton, and I myself am grateful for it. However, as was said earlier this evening, the government gives you something with one hand and takes away twice as much with the other. While I am at it, I might also say a lot has been said by other hon. members about the heavy water plant going to Nova Scotia. One hon. member said that it cost $13 a ton in Nova Scotia to mine coal whereas it could be mined in his area for $3. There must have been a strong profit motive involved, if heavy water could be produced using coal that much cheaper than in Cape Breton, when they did not underbid Nova Scotia to begin with. I am very grateful that this particular project is coming to Cape Breton, but whatever benefits it may have to Cape Breton or Nova Scotia have been offset by what happened here today.

Mr. Knowles: Eleven o'clock.

Mr. MacInnis: May I call it eleven o'clock, Mr. Chairman.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Churchill: May I ask the house leader if we may assume that the estimates of the Department of National Defence will be continued tomorrow, and what would be the stop gap items if we complete them?

Mr. Pickersgill: I hope they will be more than stop gaps. When we complete national defence I hope we can complete public works and also northern affairs. May I be permitted to say that I think there is an understanding that certain resolutions, of which notice has been given today, might be advanced tomorrow without debate, so that the bills would be available for debate on Monday and Tuesday of next week. Notice was given yesterday and they will be on the order paper tomorrow.

It being one minute after eleven o'clock the house adjourned, without question put.

HOUSE OF COMMONS

Friday, December 6, 1963

The house met at 11 a.m.

PRIVILEGE

MR. HOWARD—STATEMENT BY MINISTER RESPECTING B.C. FISHERIES DISPUTE

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to raise a question of privilege. Very briefly, my question of privilege is that the Minister of Fisheries misled the house on August 2, and I should like to make reference to *Hansard* of that day in order to prove my contention. Incidentally, it was not possible for me to raise this question of privilege earlier. This is the first opportunity I have had because it did not come to light until a document was tabled in the house yesterday pursuant to a motion for the production of papers to which I shall refer. I think it is necessary to read a little more than usual in order to illustrate my point.

The hon. member for New Westminster asked the Minister of Fisheries the following question, as reported at page 2945 of *Hansard*:

Mr. Speaker, I wonder whether I could direct a question to the Minister of Fisheries and ask him for what I hope will be a final progress report on the negotiations with the British Columbia fishing industry?

The minister made the following reply:

Mr. Speaker, as I reported to the house yesterday, negotiations resumed on Wednesday between the two parties involved, the union and the fisheries association of British Columbia. I am pleased to inform the house this morning that the situation has improved greatly in the last 24 hours. In fact, with the indulgence of the house may I be permitted to place on record part of a telegram I received at five o'clock from the union, which reads as follows:

"Reurtel our central strike and policy committee decided upon receipt your telegram bearing in mind urgency expressed regarding resumption operation and failure reach agreement upon scope and terms arbitration that we shall immediately recommend to our membership acceptance of appointment by federal and provincial governments of single arbitrator whose decision shall be final and binding and that the arbitrator shall decide scope and terms of reference after consultation with both parties to the existing dispute."

The minister then went on to say:

A few hours later I received another telegram from the fisheries association which reads in part as follows:

"—the member companies of this association are prepared to accept the decision of a single arbitrator to be appointed by the Hon. H. J. Robichaud and the Hon. L. R. Peterson as final and binding upon the matter or matters which will be agreed to be referred to him."

The only problem which remains, Mr. Speaker, consists of the details of the terms of reference.

Then there are a few other words which are not germane to this particular point. The key points upon which I rest this question of privilege are, one, the fact that the minister read only a portion of the telegram from the fisheries association; and, two, followed the reading of that portion with the words:

The only problem which remains, Mr. Speaker, consists of the details of the terms of reference.

I make this statement especially in view of the fact that the telegram from the united fisheries and allied workers union made reference to the arbitrator deciding the scope of the terms of reference after consultation with the parties to the existing dispute.

I filed a motion for the production of the telegram from the fisheries association of British Columbia which the minister read in part, and it was tabled yesterday. It is dated Vancouver, B.C., August 1, 4.26 p.m., Pacific daylight time. It is addressed to Hon. H. J. Robichaud, M.P., P.C., Minister of Fisheries, Ottawa, Ontario, and reads as follows:

This is a further letter delivered to Mr. R. G. Clements today quote We refer to Mr. Homer Stevens letter addressed to you dated August one 1963, a copy of which you have made available to us. We repeat that the member companies of this association are prepared to accept the decision of a single arbitrator to be appointed by the Honourable H. J. Robichaud and the Honourable L. R. Peterson as final and binding upon the matter or matters which will be agreed to be referred to him.

Then the telegram goes on to say:

It is our understanding that the only matter in dispute which requires reference to arbitration is that of the minimum price to be paid for pink salmon during the 1963 fishing season. If there is any other question in dispute which the union wishes to have referred to the decision of the arbitrator we would appreciate your asking them to inform us through you immediately so that we may consider whether or not we can agree to such question or questions being so submitted. We are unwilling to agree to arbitration of any matter which has not been referred to arbitration by agreement.

Fisheries Association of B.C.

The principle point here is that the association of B.C. indicated in their telegram to the minister that they were only willing to submit to arbitration one single, solitary question, and that was the matter of the minimum price to be paid for pink salmon caught during the 1963 salmon season. If there is any doubt that this was the case,

the fisheries association sent another telegram to the minister; and if he did not mislead the house the first time by reading only parts of the telegram, which I contend he did, then he certainly did on another occasion by not relating to the house something which was made even more clear to him by the fisheries association of B.C.

Again this is a sessional paper, No. 64C, which was filed on November 15, and it contains a telegram from the fisheries association of B.C. to the Minister of Fisheries, dated Vancouver, August 2, 1.05 p.m. Pacific daylight time. Mr. Speaker, you will recall that the house sat until 10.56 p.m. that evening, and I suggest this telegram was undoubtedly in the possession of the minister by that time. They say in it, and I only want to quote a part:

> That our member companies will agree to arbitration by a single arbitrator to be appointed by the Honourable H. J. Robichaud and the Honourable L. R. Peterson of the minimum price to be paid for pink salmon during the 1963 fishing season and of no other matter whatever.

I submit that when the minister related that information to the house, notwithstanding this second telegram which makes it undoubtedly clear, he misled the house, when he quoted only part of the telegram and when he interpreted that part to say:

> The only problem which remains, Mr. Speaker, consists of the details of the terms of reference.

As a result not only was the house placed in the position of not knowing fully what the situation was, but there was an agreement to proceed to arbitration, and that arbitration has not yet been held because the matters to be referred to the arbitrator are still not cleared up; and I submit they are not cleared up primarily because of the information which the minister gave to the house.

I therefore move, based on this question of privilege, seconded by the hon. member for Comox-Alberni (Mr. Barnett):

> That this house regrets the Minister of Fisheries misled the house on August 2 by failing to advise the house fully of the position of the fisheries association of B.C.

Mr. Speaker: Order. I have to decide whether there is a question of privilege. I would refer to Beauchesne's citation 104, paragraph 5, which reads 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, first—

The "first" is my own insertion:

> —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. If he is not so satisfied he may allow the member to make a statement with a view to ascertaining whether or not a prima facie case can be made out.

[Mr. Howard.]

It seems to me that the long explanation given by the hon. member, working up to the presentation of this motion which he asks the Speaker to accept, is really in the nature of a grievance. I do not believe that the minister, if a misstatement was made, intended to make any misstatement. With regard to the allegation that a false statement was made, I do not believe that has been proved by the facts alleged by the hon. member this morning. In my opinion this is really in the nature of a grievance, and a prima facie question of privilege has not been made out. Therefore in my opinion the motion should not be accepted.

Mr. Howard: With your permission, Mr. Speaker, may I say this. I do not believe a matter of privilege involves whether or not the minister intended to do something. The fact is that he did.

Some hon. Members: Order.

Mr. Howard: Second, there is no allegation that it was a false statement. I say it was a misleading statement, and the silence on the government benches proves it.

STANDING ORDERS

CONCURRENCE IN FIFTH REPORT OF STANDING COMMITTEE

Mr. Robert Temple (Hastings South) presented the fifth report of the standing committee on standing orders, and moved that the report be concurred in.

Motion agreed to.

BUSINESS OF THE HOUSE

STATEMENT AS TO GOVERNMENT PLANS FOR REMAINDER OF SESSION

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the other day I said I would make a statement on the government's plans for the business for the rest of the session. On Monday, I think it was, in reply to a question by the hon. member for Burnaby-Coquitlam I undertook to say whether there had been any changes in those plans since my statement on this matter on November 4.

On that date I stated that the most urgent business was to complete the consideration of the estimates, and that remains the case. Of the legislation I mentioned then the first three items have been dealt with by the house, the income tax bill, the surcharge on imports bills, and the amendment of the Technical and Vocational Training Assistance Act.

The house has also been dealing with the next major item on the list, redistribution, about which I will say a word in a minute.

However, I can no longer be hopeful of the house going on before Christmas to the items which were next on my November 4 list, the National Housing Act amendment and the major railway legislation arising out of the MacPherson royal commission, though a resolution to precede that measure is now on the order paper. These matters will probably have to stand over till next session.

The government considers it essential to have the house deal in this session with the following items on the order paper and which have been on the order paper now for some time: first, the amendment to the Currency, Mint and Exchange Fund Act; second, the amendment to the National Centennial Act; third, the resolution and bill respecting C.N.R. finances.

In addition there are the following items on today's order paper which the government desires to have dealt with in the present session: first, the amendment to the Old Age Assistance Act, the Disability Allowance Act and the Blind Persons Act; second, the amendment to the Emergency Gold Mining Assistance Act; third, the amendment to the Small Businesses Loans Act; fourth, the amendment to the Canadian World Exhibition Corporation Act; fifth, a bill to appoint auditors for the national railways. There will also be a measure introduced next week respecting statutory salaries which the government would like to have dealt with.

With respect to redistribution, Mr. Speaker, the government would like to have the resolution and the bill to set up the office of representation commissioner passed during this session. However, it is prepared to hold over the boundaries bill until the next session. Perhaps there could be discussions among the representatives of the parties on the procedure to be followed in respect of that matter, and perhaps some informal discussions in between the sessions concerning it.

Other measures on the order paper which the government would like to have dealt with in this session, and I do not believe these are very contentious items, are first, the Newfoundland savings bank bill; second, the bill approving the Ontario harbour agreement; third, the amendment to the National Harbours Board Act; fourth, the amendment to the Carriage by Air Act; fifth, the bill to amend the Aeronautics Act, which I believe is now in committee. A resolution preceding a measure respecting payment of certain provincial taxes and fees by crown corporations appears on the order paper today which it would be desirable to deal with. There is also a bill respecting what is called the Blue Water bridge at Sarnia which is still to be introduced and which the house might wish to dispose of in this session.

To the best of my knowledge, Mr. Speaker, subject to any emergencies arising, this is all the legislation the government intends to seek to have completed this session. A resolution respecting Indian claims will be put on the order paper, but the government does not expect the house to complete consideration of this measure. I believe there is general agreement to adopt, without debate, the resolutions preceding the bills which have not yet been placed on the order paper—though I think they are on this morning's order paper—on the understanding that the debate would take place on second reading and in committee on the bills in question. If there are any considerations arising out of this statement which require consultation among representatives of the parties, I am sure that can be arranged without delay.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I thank the Prime Minister for setting out the menu. All I can say on this, the 105th day of the session, is that his contemplation that so many other matters can be dealt with in a few days, while expressive of a hopeful desire, in the light of the experience during the years I have been in the house would be difficult of attainment before Christmas. There has been excellent progress made. The other day I was glad to hear the Secretary of State, a wise parliamentarian who understands parliament, expressing himself so clearly and definitely that since September there has been no suggestion of obstruction whatsoever, though the fullest debate has taken place; and with that he was in full agreement.

I agree with the Prime Minister that the estimates must be passed, because they cannot be delayed and postponed indefinitely. There are, of course, one or two departments —defence, whose estimates are now being discussed, and agriculture, when the Minister of Agriculture is available—which will require consideration. I think the suggestion made regarding redistribution is a proper one. We shall give every co-operation in the passage of the legislation setting up the representation commissioner and, of course, during the recess we shall be able to meet with representatives of the government and of other groups in the house to discuss this important matter of redistribution legislation.

There is also the question of the resolutions. The Prime Minister referred to this. While preserving and maintaining our rights, and without prejudice to them, we shall not debate these resolutions.

I was surprised, however, that amidst the somewhat unusual collection of legislation mentioned by the right hon. gentleman nothing was said regarding the serious situation which has arisen with respect to foreign

investment in our country. Only yesterday the Minister of Finance, speaking in Chicago, emphasized that Canada needs a large influx of capital. The latest returns given by the dominion bureau of statistics indicates that in the last three months there has been a reduction, on an average, of $100 million per month in foreign investment in Canada.

That is a serious situation and one which I feel deserves the earliest consideration on the part of parliament. I think when one considers what has happened during the last three months in the field of foreign investment, one can only conclude that some of the tinkering which was done in the budget has brought about a reaction in the United States, necessitating the taking of action now in this regard in preference to proceeding with several measures which, I am sure, are of lesser importance.

I think these are all the observations I intend to make at this time. Certainly this situation which was spoken of outside the house yesterday by the Minister of Finance deserves and demands action at the earliest possible date.

Mr. Pearson: In view of what the right hon. gentleman has said perhaps I should add a word, if only in clarification. If I did not make any statement on the question of foreign investment in Canada it was because I would have been entirely out of order in doing so. The right hon. gentleman knows that this important matter can be discussed as thoroughly as he desires to discuss it when the estimates of the minister are up for consideration.

Mr. Diefenbaker: We need action, though.

Mr. Pearson: The right hon. gentleman said it was his view, in the light of past experience, that the items I have mentioned could not be passed within a few days. That might well be the case, but there is no reason why—and it would be the intention of the government to suggest this course—if they cannot be passed within a few days we should not come back after Christmas and see that they do pass, and not allow any desire for a holiday to interfere with our duty.

Some hon. Members: Hear, hear.

Mr. T. C. Douglas (Burnaby-Coquitlam): The Prime Minister has given us what is virtually a second speech from the throne.

Mr. Churchill: And an ultimatum.

Mr. Douglas: This is a very heavy agenda of legislation, much of which has been added since the right hon. gentleman made his previous statement on November 4.

I think the government has placed the house in a fairly awkward position. Some of this proposed legislation could not have been introduced earlier. I refer in particular to the measures concerning old age assistance pensions, blind pensions and disabled persons allowances, which had to be left until the federal-provincial conference had concluded. But there are a number of other items which could have been introduced at any time in the last several weeks. The Canadian National Railways auditors legislation, the gold mines assistance legislation, statutory increases, surely these things have not just come up since November 4. It seems to me it is an indication of very poor planning of the business of the house when we find a heavy agenda like this suddenly placed before parliament.

I want to make the position of this party abundantly clear. I think it is essential that most of the legislation which the Prime Minister has announced this morning should be passed this session. There are one or two measures whose urgency is less apparent, but in my opinion most of them should be passed now. As far as we are concerned we are prepared to expedite the passage of the legislation by giving up, as we have already agreed to do, debate on the resolution stage of certain measures. But we are not, of course, prepared to rush the legislation through without giving it proper consideration. As far as we are concerned we are prepared to have a very short Christmas recess of a few days and come back so this legislation can be given the proper and full consideration which it deserves. We shall be most insistent that this session of parliament be not prorogued until at least the legislation having to do with old age pensions, blind pensions, disabled persons allowances, gold mining assistance and other essential matters has been dealt with.

Mr. A. B. Patterson (Fraser Valley): We appreciate the announcement made by the Prime Minister this morning with respect to the program of legislation for the days ahead. I agree with those who have spoken on behalf of the other opposition parties that it does look as though we have a formidable array of legislative items before us.

However, certain discussions have been going on in the usual way and tacit agreement, at least, has been given to certain proposals. I believe it is the desire of every member of the house to proceed as expeditiously as possible in the carrying through of this legislative program. As far as the Social Credit party is concerned we are ready to co-operate to the fullest extent, though reserving our right to criticize and set forth our views with regard to the controversial subjects which may be brought before the house. We intend to exercise that privilege, but to do so with the least possible extension of debate.

As I say, we appreciate this announcement. We will do our best to co-operate, but at the same time we want to express our views with regard to some of the very important issues mentioned this morning, including the increases in various pensions and other matters.

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, as the Prime Minister, the government and all other members, we wish to reach Christmas at the same time as everyone else. The announcement made by the Prime Minister this morning as to the legislation to be passed before the Christmas recess is certainly of a kind to interest this house and especially the Canadian people.

However, I wonder why these measures were not introduced earlier in this house, since we have been sitting for almost three months. The resolutions and notices of motion could have been introduced a long time ago, right after the last elections, even at the very beginning of the session on May 16, 1963.

We are all anxious to see the Small Businesses Loans Act extended. We would have liked also to have the resolution introduced concerning the Emergency Gold Mining Assistance Act, but especially regarding the Old Age Assistance Act, the Disabled Persons Act and the Blind Persons Act, so as to increase their monthly allowances to $75.

When the Prime Minister serves us an ultimatum and threatens us to have the house sit between Christmas and New Year's, if necessary, we are willing to return to the house in order that those measures may be passed by parliament as soon as possible.

On the other hand, why wait until Christmas is only a fortnight away to present those resolutions? That is what we are asking ourselves in this corner of the house. At the very last minute the government introduces a whole lot of bills that could have been presented much earlier. We are given a great deal of legislation to consider, with the implication that we are to pass it in haste, without even discussing it, so that the session may end before December 20.

We are ready to co-operate with the government but we would ask the government to co-operate a little more with the opposition and all hon. members and to submit its bills and resolutions earlier so that we may examine them adequately and enact legislation which will benefit the Canadian people as a whole.

[*Text*]

GRAIN

DISTRIBUTION OF PROCEEDS OF GRADE EXCESS AND OVERAGE

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale) moved for leave to introduce Bill No. C-119, to provide for the restitution and distribution of the proceeds of grade excess and overage unlawfully confiscated and converted in 1955 and continuously thereafter under an act intituled an act to amend the Canada Grain Act to the use and purposes of the governor in council.

He said: Mr. Speaker, you will recall that earlier this session I introduced Bill No. C-8 to provide for the construction of a grain terminal at Tisdale. Your Honour ruled it out of order on the ground that it involved an unlawful expenditure of public money.

The bill I am now introducing provides again for the construction of a grain terminal at Tisdale but out of the proceeds of grade excess and grain overage belonging to the western grain farmers but held in trust by the board of grain commissioners. Mr. Speaker, we farmers lay claim to these moneys which rightfully belong to us so that we can have a grain terminal built at Tisdale for the benefit of all grain producers. Even though we had to bring in Magna Carta to make our point, I can assure Your Honour that everything is on the level now.

Motion agreed to and bill read the first time.

CANADIAN WORLD EXHIBITION CORPORATION ACT

AMENDMENTS RESPECTING SITE, NUMBER OF DIRECTORS, ETC.

Right Hon. L. B. Pearson moved for leave to introduce Bill No. C-120, to amend the Canadian World Exhibition Corporation Act.

He said: Mr. Speaker, the purpose of this bill is to provide a legal basis for the proposed site for the world exhibition, to enlarge the board of directors and to deal with one or two other minor amendments.

Motion agreed to and bill read the first time.

CANADIAN NATIONAL RAILWAYS

APPOINTMENT OF AUDITORS

Hon. G. J. McIlraith (Minister of Transport) moved for leave to introduce Bill No. C-121, respecting the appointment of auditors for national railways.

Motion agreed to and bill read the first time.

Proposed Legislation

BUSINESS OF THE HOUSE

PROCEDURE FOR DEALING WITH GOVERNMENT NOTICES OF MOTIONS

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, before you call government notices of motions, pursuant to the statement made by the Prime Minister I wonder whether the first, third and fourth motions could be put in the form "later this day". It might then be agreed to go into committee as soon as orders of the day are reached, pursuant to the understanding, so the bills could be introduced today in order to be available for debate early next week.

In the case of the other two motions, if the house were disposed to treat the second one having to do with provincial taxes on crown corporations in the same way I would be grateful, but it was not part of the agreement. In the case of the one concerning the Railway Act I am not asking that it be treated in this way at all.

SMALL BUSINESSES LOANS ACT

AMENDMENTS EXTENDING LOAN PERIOD, ESTABLISHING NEW PERIOD, ETC.

Hon. J. W. Pickersgill (for the Minister of Finance) moved that the house go into committee later this day to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the Small Businesses Loans Act to extend until December 31, 1966 the time during which guaranteed business improvement loans may be made under the act; to provide for the establishment of a new loan period during which business improvement loans made by banks may be guaranteed by the Minister of Finance; to provide that the minister is not liable in respect of losses sustained by banks for business improvement loans made during the new loan period after the aggregate principal amount of such loans made by all banks during the period exceeds $300 million; and to make certain clarifying amendments to the securities provisions of the act.

Motion agreed to.

CROWN CORPORATIONS

PROVISION FOR PAYMENT OF CERTAIN PROVINCIAL TAXES AND FEES

Hon. J. W. Pickersgill (for the Minister of Finance) moved that the house go into committee later this day to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to provide for the payment of certain provincial taxes and fees by crown corporations on or after the 1st day of April, 1962.

Motion agreed to.

[Mr. McIlraith.]

EMERGENCY GOLD MINING ASSISTANCE ACT

AMENDMENTS EXTENDING APPLICATION AND MAKING CHANGES IN ADMINISTRATION

Hon. W. M. Benidickson (Minister of Mines and Technical Surveys) moved that the house go into committee later this day to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the Emergency Gold Mining Assistance Act to extend its application to the years 1964, 1965, 1966 and 1967; and to provide also for certain changes in connection with the administration of the act.

Motion agreed to.

PENSIONS

AMENDMENTS RESPECTING OLD AGE ASSISTANCE, BLIND AND DISABLED PAYMENTS, ETC.

Hon. Judy V. LaMarsh (Minister of National Health and Welfare) moved that the house go into committee later this day to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the Old Age Assistance Act, the Disabled Persons Act and the Blind Persons Act to increase to seventy five dollars per month the maximum amount of assistance or allowance, as the case may be, in respect of which payment may, subject to such action as may be necessary by the appropriate provincial authorities, be made to the provinces under the provisions of those acts and to increase the total amount of allowable income, inclusive of assistance or allowance, by one hundred and twenty dollars a year in the case of an unmarried person and two hundred and forty dollars a year in the case of a married person, the said measure to be effective the 1st day of December, 1963.

Motion agreed to.

TRANSPORTATION

LEGISLATION TO IMPLEMENT CERTAIN RECOMMENDATIONS OF ROYAL COMMISSION, ETC.

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

That it is expedient to introduce a measure to authorize the implementation of certain recommendations of the royal commission on transportation with respect to the rationalization of branch lines of railways and passenger train services and the fixing of freight rates under and consistent with a national transportation policy suited to modern transportation conditions; to establish a branch line rationalization authority and a branch line rationalization fund to be continued for fifteen years to assist in the establishment of an orderly, rational and planned program of abandonment of uneconomic branch lines; to provide authority for public funds to be used where assistance of a type similar to that provided by the branch line rationalization fund may be required after such

15-year period; to provide for payments out of the consolidated revenue fund on a reducing scale for a period of five years commencing with 1964 to compensate the Canadian National Railway Company and the Canadian Pacific Railway Company for passenger train deficits of their systems in Canada during such period; to authorize payments to maintain freight rates on western grain and grain products moving by rail to export positions at the level of rates prevailing on the first day of July, 1963; to permit the lapsing of the subsidy (known as the "bridge" subsidy) now provided for the maintenance of trackage of the Canadian Pacific Railway Company between Sudbury and Fort William and the corresponding trackage of the Canadian National Railway Company between Capreol and Fort William and between Cochrane and Armstrong; to authorize agreements relating to the carriage by rail of Her Majesty's mail, and members of the Canadian forces and police travelling on Her Majesty's service and to provide further for other matters consequential upon or related or incidental to any of the foregoing.

Motion agreed to.

ROYAL CANADIAN AIR FORCE

PENHOLD, ALTA.—REQUEST FOR FURTHER STATEMENT ON CLOSING OF AIR BASE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to ask the Minister of Transport whether he has anything to report regarding his investigation into the Penhold jet base. Has there been any advance made over and above what he said earlier, and is there any possibility of any alteration in the decision earlier made that this base, for safety reasons, should not be used as a jet training base?

Hon. G. J. McIlraith (Minister of Transport): There has been no alteration in the decision, Mr. Speaker. For reasons of safety, it is quite impossible to use that base for *ab initio* jet training.

Mr. Diefenbaker: And that is the final decision?

Mr. McIlraith: Yes.

TRANSPORT

REQUEST FOR LIST OF PROPOSED RAIL LINE ABANDONMENTS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): I should like to direct a question to the Minister of Transport regarding rail line abandonment. My information is that the Canadian National Railway has supplied to those interested a complete outline of its plans for rail line abandonment, and that so far the Canadian Pacific Railway has not supplied such information. Would it be possible for the minister, if it is not yet available, to ask the Canadian Pacific to make this information available to the board of transport commissioners and consequently to the general public?

Hon. G. J. McIlraith (Minister of Transport): I might say that what Canadian National Railways have supplied is in application form. There is a list of those lines on which the railway might ask for abandonment, and that is dealing with the prairie provinces only. It is not to be taken that the railway will necessarily apply for rail line abandonment on any of the lines indicated. I want to clear that up because there has been some misapprehension on it.

The Canadian Pacific has not followed the same course of action, and has not seen fit to disclose what its plans are in this connection.

Mr. Douglas: May I ask a supplementary question. In view of the uncertainty for grain companies which are building elevators on railway lines, and the large expenditures involved, would the minister consider asking Canadian Pacific Railway to make this information available so that persons who live or do business in those areas can make their plans accordingly?

Mr. McIlraith: I think there is no difficulty in so far as companies building grain elevators are concerned, because they can get that information, I am quite sure, in relation to a particular line at any time. I have made a request that an indication be given of any line which the railway company proposes to abandon, but the railway company has not seen fit to give that information since it is regarded as part of its own responsibility.

Mr. Douglas: A supplementary question. Is the minister aware that the Reston-Wolseley line was abandoned just a year after a grain elevator had been built on it?

Mr. McIlraith: That may well be, but I am aware also that the railway companies have undertaken not to proceed with any of these abandonment applications on the grain lines in the three western provinces, and none has been proceeded with for quite some time. This undertaking was originally given to the former government, and it has been very carefully followed since.

Mr. George Muir (Lisgar): May I ask a supplementary question. Does the minister have a list of the applications for abandonment by the Canadian National, and will he make it available to the members of the house?

Mr. McIlraith: No, Mr. Speaker, I do not have a list. I want to repeat something that I have been trying to make clear in answering these questions. I deplore the constant

reference to this list as a list of abandonments. In cases where there are two closely related lines, one of which may be abandoned, both are indicated as possible lines for abandonment. All this information has been filed with the board of transport commissioners. If it is not readily available there I would be glad to look into the question of getting some kind of list into a form that could be made available to all hon. members.

Mr. E. Nasserden (Rosthern): I wonder if the minister would mind telling us why he is reluctant to ask the Canadian Pacific to reveal their plans for abandonment?

Mr. McIlraith: I regret that the hon. member apparently did not hear my answer to an earlier question on that point.

SUGGESTED ADDITIONAL FERRY SERVICE BETWEEN NOVA SCOTIA AND NEW ENGLAND

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I have a question to direct to the Minister of Transport. Will the minister tell the house the results of any discussions he may have held with the premier of Nova Scotia during his recent visit, with regard to any decisions that may be reached relative to establishing a second ferry between Nova Scotia and New England?

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, I regret to have to advise the house that on my recent visit to Nova Scotia I did not meet with the premier of that province. There must be some misunderstanding.

Mr. Crouse: As a supplementary question, I meant during the recent visit of the premier of Nova Scotia to Ottawa for the dominion-provincial conference. Will the minister tell the house when he plans to carry out his commitment that he made to me on June 25 and look into this matter, which is of paramount importance to the people of Nova Scotia and the tourist industry there?

Mr. McIlraith: Yes, I can tell the hon. member that this subject is under study now, and in addition there has been some correspondence with the premier on subjects that are directly related to it. These are getting quite active consideration.

THE CANADIAN ECONOMY

STEPS TO MEET REPORTED INCREASE IN COST OF LIVING

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): In the absence of the Minister of Finance, I should like to direct a question to the Prime Minister. In view of this morning's announcement by the dominion bureau of statistics of the startling rise in the cost of living during the last month or so, what steps does the government intend to take to counteract this dangerous trend?

Right Hon. L. B. Pearson (Prime Minister): Every step possible, Mr. Speaker.

TRADE

INCREASE IN U.S. TARIFF ON CANADIAN MADE TRUCKS

On the orders of the day:

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, I wish to direct a question to the Prime Minister. Can he tell the house whether the Canadian government has been advised by the United States of their decision to raise the tariff on trucks built in Canada and exported to the United States?

[*Text*]

Mr. Speaker: It seems to me that this question requires detailed information and should be put on the order paper, unless the minister wishes to reply.

Hon. Mitchell Sharp (Minister of Trade and Commerce): Perhaps I could answer the question. The answer is yes.

[*Translation*]

Mr. Caouette: A supplementary question to the Prime Minister, Mr. Speaker. Did the Canadian government protest to the American government? If so, in what terms were those protests made?

[*Text*]

Mr. Sharp: Mr. Speaker, we inquired very carefully as to the consequences of this change in the United States tariff which arose out of the so-called chicken war, and the inquiries did not elicit much response from anybody in Canada. There seemed to be a very minor interest in this item.

EXTERNAL AFFAIRS

U.S. FISHING RIGHTS WITHIN CANADIAN 12 MILE LIMIT

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I have a question I would like to address to the Minister of Fisheries or the minister of external affairs. It has to do with the matter we discussed briefly here yesterday, the 12 mile fishing limit. Would the minister care to comment informatively on current press reports that Canada has now surrendered the point upon which it insisted at the previous

law of the sea conferences, the point being that the United States fishing rights within 12 miles of Canada's coasts cannot be maintained unlimited and in perpetuity?

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, I regret that I cannot comment on the press reports referred to, as I have not seen such reports. However, I want to assure the house and the hon. member that no surrender has been made by Canada in its negotiations with the United States on the 12 mile limit.

TRANS-CANADA AIR LINES

USE OF WORDS "AIR-CANADA" ON PLANES

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I wish to direct a question to the Prime Minister. Does he intend to contact the president of Trans-Canada Air Lines, Mr. McGregor, to authorize him to spend, or to suggest that he do so, the sum required to have the name "Air-Canada" placed on the aircraft of that crown corporation?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I think I had better read the transcript of the hearings first and find out exactly what Mr. McGregor said.

[*Translation*]

Mr. Pigeon: Mr. Speaker, I have a supplementary question. Does the Prime Minister share the opinion of Mr. McGregor who refuses to adopt the designation "Air-Canada" for financial reasons?

[*Text*]

Mr. Pearson: Mr. Speaker, I do not think I am required to comment on opinions of this kind expressed by a private citizen.

Mr. Pigeon: Take your responsibility. You are the Prime Minister; the Canadian people elected you for that.

Mr. Georges Valade (St. Mary): I have a supplementary question to ask the Prime Minister in this regard. I had intended to ask him another question but I will go to the supplementary question first. Does the Prime Minister intend to bring in an amendment to the Trans-Canada Air Lines Act to make it legally possible for Mr. McGregor to change the wording on the aircraft, "Trans-Canada Air Lines", to the wording "Air-Canada", as was proposed by Mr. McGregor?

Mr. Pearson: I have already given the list of legislation to be put before parliament this session, which seems to be considered already too long by hon. members opposite.

Mr. Valade: Does this mean no by the Prime Minister?

Mr. Pearson: It means what it says.

REPORTED INTENTION TO TRANSFER EMPLOYEES FROM WINNIPEG MAINTENANCE BASE

On the orders of the day:

Mr. George Muir (Lisgar): Mr. Speaker, I intended my question for the Prime Minister, but in his absence perhaps the house leader would take it as notice. In view of the statement made by Mr. McGregor before the sessional committee on air lines, railways and shipping to the effect that as many as 200 employees may be transferred from the Winnipeg overhaul and maintenance base prior to 1973, how can the Prime Minister justify his statement as reported at page 5055 of *Hansard* for November 22, 1963 that the level of employment at that base may be increased during that period?

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker I will draw the Prime Minister's attention to this question, although I have some doubt whether it is the kind of question that is normally asked on orders of the day.

HEALTH AND WELFARE

TORONTO—REQUEST FOR INCREASED HOSPITAL GRANT

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is to the Minister of National Health and Welfare. It is a question I put to the Prime Minister yesterday, and of which I gave notice to the minister some days ago. Does the government propose to increase hospital grants in accordance with the urgent request of the metro council of Toronto?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Mr. Speaker, I should like to inform my hon. friend that this matter is under active consideration.

ROYAL CANADIAN MOUNTED POLICE

REPORTED APPROACH TO STUDENT AT UNIVERSITY OF SASKATCHEWAN

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to direct a question to the Prime Minister in the absence of the Minister of Justice. Is the government aware of the story which appeared in the *Globe and Mail* on Wednesday, December 4, to the effect

that charges were made by the student council at the University of Saskatchewan, Regina campus, that a student was approached by the R.C.M.P. and requested to co-operate in an investigation by the R.C.M.P. on the campus in Regina? If so, can the Prime Minister make a statement on the veracity of this charge?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I saw the report and inquiries are being made about it.

Mr. Orlikow: As a supplementary question, I wonder would the Prime Minister take steps to investigate the truth of this charge by some agency other than the R.C.M.P., through inquiries from the student council and the principal of the Regina campus, Dr. Riddell, in the light of the discussions with the university students and C.A.U.T. and the assurances of the Prime Minister to the house on this issue on an earlier occasion?

Mr. Pearson: I have already said, Mr. Speaker, that we are making inquiries.

NATIONAL DEFENCE

APPROVAL BY PRIME MINISTER OF PROPOSED REDUCTION IN RESERVE FORCES

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 his overriding responsibility for the defence of Canada and the protection of the Canadian people, does the Prime Minister approve of the proposals of the Minister of Defence for the partial annihilation of the militia and the reserve forces of the navy and air force, and the consequent crippling effect that the proposed reductions will have on survival operations?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the hon. gentleman himself once served in another cabinet, and ought to know something about the principle of cabinet responsibility, and also about the proper way to ask questions.

Mr. Churchill: May I ask the Prime Minister if he will suggest to the minister of defence that the proposed major change in policy be referred to—

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order.

Mr. Churchill: —the special committee on defence before a conclusion is reached?

Mr. Speaker: Order.

[Mr. Orlikow.]

Mr. Knowles: Mr. Speaker, are not both the question and the answer out of order? Is this not a debate on a matter that is before the house today?

Mr. Speaker: I must agree with the hon. member for Winnipeg North Centre.

Mr. Churchill: Well, Mr. Speaker—

Mr. Speaker: It was due to the prestige the hon. member for Winnipeg South Centre has that too much leeway was given.

Mr. Churchill: On the point of order, the hon. member for Winnipeg North Centre, like the Prime Minister, likes to lecture the house, but this is not a subject for debate today. The questions I asked the Prime Minister refer to his responsibility as Prime Minister of Canada, and he is responsible for the safety of the people of Canada and for the defence of this country. That does not enter into questions that may be asked of the minister of defence on his estimates. Consequently I claim that my question is perfectly in order, and the Prime Minister should give an adequate and satisfactory reply.

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, on a point of order, the hon. member for Winnipeg North Centre rose and brought up the point that both the question and the answer were out of order. The Chair, in dealing with that point of order, told the house that the hon. member for Winnipeg South Centre was given too much leeway in his question. What about your ruling on the answer that was also declared out of order?

Mr. Speaker: The hon. member for Lapointe.

[*Later:*]

Mr. Churchill: Mr. Speaker, I have a question for the Prime Minister. Was it the intention of the Prime Minister, when he asked the house to set up a special committee on national defence, to have that committee examine proposed changes in policy and report to the Minister of National Defence before the changes were introduced or promulgated?

Mr. Pearson: Mr. Speaker, I understand, from reading the hon. gentleman's statement of yesterday, that he was complaining that the minister had not announced policy yesterday, before the committee on defence had completed its work. The minister said yesterday, and I am glad to repeat it, that one of the reasons a policy statement was not possible at this time was that we wanted to get the report of the committee on defence and study it before a statement was made on behalf of the government.

Mr. MacInnis: I have a supplementary question, Mr. Speaker. Is the Prime Minister aware that before the defence committee the Minister of National Defence said that certain steps would be taken regardless of whether the committee dealt with them? Is he aware of that statement by the Minister of National Defence, who in effect said "We will do it, whether you like it or not"?

Some hon. Members: Arrogance.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister. In view of the fact that the special committee on defence of the House of Commons will only be able to present an interim report before the end of the year, and having in mind the terms of reference of the committee which call for a long term policy report, if there is a new session early in the new year will the Prime Minister make a recommendation as to the reinstatement of the committee and the reappointment of the same personnel?

Mr. Pearson: Mr. Speaker, I will certainly be glad to give consideration to that matter and make an announcement before the end of the present session.

ADMINISTRATION OF JUSTICE

QUEBEC—ALLEGED MISCARRIAGE IN COFFIN CASE

On the orders of the day:

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I may not have the prestige of the hon. member who asked the previous question, but, the Minister of Justice being absent, I shall put my question to the Prime Minister.

In view of the fact that the Canadian Broadcasting Corporation has launched an investigation into the circumstances surrounding the Coffin case, is the Prime Minister not of the opinion that now it should be up to the Minister of Justice instead to make such an investigation in order to put the public quite straight on the circumstances surrounding that case.

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have nothing to add to what the Minister of Justice said yesterday, but I would like to reassure the hon. gentleman who asked the question and tell him he enjoys exactly the same prestige as the hon. member who preceded him.

[*Translation*]

Mr. Gregoire: I wish to ask a supplementary question.

[*Text*]

Mr. Churchill: Who has the floor?

Mr. Speaker: The hon. member for Lapointe rising on a supplementary question.

[*Translation*]

Mr. Gregoire: Since the Minister of Justice has decided that this case did not come under federal jurisdiction, does the Prime Minister feel it proper for a crown corporation such as the C.B.C., to conduct an investigation into this matter, considering especially the way it is doing it.

[*Text*]

Mr. Pearson: With great respect, Mr. Speaker, I do not see the relevancy of those two matters, but I will be glad to discuss that aspect of it with the Minister of Justice.

WORLD FAIR

INQUIRY AS TO SALARIES OF COMMISSIONER AND ASSOCIATES

On the orders of the day:

Mr. Georges Valade (St. Mary): Mr. Speaker, my question is directed to the Prime Minister. In view of the bill introduced this morning by the Prime Minister to amend the Canadian World Exhibition Corporation Act, will the Prime Minister tell the house whether this bill will give us the details of the salaries which will be paid to the commissioner general and his associates, and also how many new commissioners will be appointed and how many members there will be under this amendment, so we may discuss the bill having before us complete information on this subject?

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

Mr. Valade: Mr. Speaker, I rise on a point of order. My point of order is that I asked a question of the Prime Minister. Your Honour ruled my question out of order and said it was a question for the order paper. I question this, because we need the information before the bill amending the Canadian World Exhibition Corporation Act is discussed. I do not think my question is out of order, because it does not ask for statistics; it requires just a simple answer as to whether in this amendment we will know what salaries will be paid to the commissioner general and how many other members are to be appointed, so we can discuss the bill having complete information on it.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the bill has been printed. It is available. My hon. friend can read it.

Mr. Robichaud: If he can read.

Mr. Valade: Arrogance from the Liberal party again.

Inquiries of the Ministry

Mr. Robichaud: He cannot read.

Mr. Valade: Arrogance from the Prime Minister.

INQUIRY AS TO RECEIPT OF COMPLETE PLAN OF PROJECT

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 Public Works?

When will the world fair authorities submit to the Minister of Public Works a complete plan of the site, including related services concerning the fair?

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, we will receive within ten days and surely before December 20 the complete plans of all development projects which are considered necessary by the fair authorities to achieve their objectives, as well as the budget for the coming fiscal year.

[*Text*]

FINANCE

STATEMENT BY HEALTH MINISTER RESPECTING PAY AS YOU GO POLICY

On the orders of the day:

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to direct a question to the Minister of Finance. Does the minister intend to apply in his department the policy that was put forward by the Minister of National Health and Welfare in Edmonton, when she stated that she was in favour of the "pay as you go" policy?

[*Text*]

Hon. Walter L. Gordon (Minister of Finance): I am very sorry, Mr. Speaker, but I am not one of the bilingual members of the house. My machine is out of order, and I did not get the question.

Some hon. Members: Oh, oh.

Mr. Monteith: Your whole financial machine is out of order.

[*Translation*]

Mr. Rondeau: Mr. Speaker, I repeat my question to the Minister of Finance. Does he intend to apply in his department the policy put forward by his colleague the Minister of National Health and Welfare, who stated in Edmonton that she was in favour of the "pay as you go" policy?

[*Text*]

Mr. Gordon: Mr. Speaker, I will have to consult my colleague the Minister of National Health and Welfare before giving a specific answer to that question.

[Mr. Valade.]

REPRESENTATIONS TO U.S. RESPECTING MODIFICATION OF TAX PROPOSED

On the orders of the day:

Hon. Paul Martineau (Pontiac-Temiscamingue): Mr. Speaker, I have a question for the Minister of Finance. In view of a statement made in Chicago last night that the inflow of foreign capital was necessary for Canada's economy, and in view of the sharp drop in such inflow in the last quarter, could he tell the house whether he intends to make any further representations to the United States government in regard to the equalization of interest act; and does he also intend to modify his stand on the withholding tax in order to encourage a greater inflow of foreign capital to this country?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, on the second part of the question, I understand that the income tax bill was given royal assent last night. On the other part of the question, perhaps I might refer to reports in the press this morning of the findings of the ways and means committee of the house of representatives in connection with the equalization of interest tax. I have not seen a transcript of the evidence, or the report, but according to newspaper accounts it seems clear that the exemptions for new issues of securities which the United States administration intends to apply to Canada have been confirmed by the house of representatives ways and means committee.

In addition the committee, in consultation with the administration, has been further responsive to the requests of the Canadian government. Three examples of this responsiveness emerge from the newspaper reports. First, some adjustment of the legislation which may prove to be of considerable importance has been recommended in the direction of exempting from tax the investments of U.S. insurance companies operating in Canada, up to 110 per cent of their reserves. Second, the head offices of international trade unions and fraternal organizations will apparently be able to invest in Canada, if the report is accepted, free of tax in respect of the dues they collect in this country. Third, it is apparently proposed to exempt from tax, trading in the outstanding securities of certain Canadian corporations which are owned to a substantial extent in the United States.

While this latter point does not fully meet our requests for complete exemption to be granted to Canada-U.S. trade in outstanding securities of such Canadian corporations, it would appear to involve a very substantial step in this direction. I can assure the hon. member that we shall be keeping in the closest touch with what is going on in

Washington and will continue to make representations to obtain full exemption.

Mr. Martineau: A supplementary question, Mr. Speaker. The minister's answer seems to indicate that the equalization of interest act is not a cause for the sharp drop in the inflow of foreign capital. Must we therefore conclude that the main reasons are the provisions of his June 13 budget?

Mr. Gordon: Mr. Speaker, that interpretation is of course completely wrong and it is quite contrary to everything I have said. It is also quite contrary to an answer I gave the Leader of the Opposition just two or three days ago.

Mr. Pearson: And it is contrary to the facts.

Mr. Gordon: It is known and appreciated, I think, by everybody in financial and industrial circles that the reason for the drop in the inflow of capital from the United States in the last quarter was due to the uncertainties surrounding the interest equalization tax.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, the Minister of Finance says it is known to everybody. I ask him whether it was known to Mr. Kierans. I should also like to ask the minister this question. Did he receive the information he has given us from Washington, or is he just making an observation on a press dispatch which he has before him?

Mr. Gordon: In answer to the last part of the right hon. gentleman's question, I prefaced my remarks by saying that this information was based on a fairly full press report. I also said, if I recall, that I had not yet obtained the report from Washington but that we were proceeding to get it. I have nothing further to add to what I said the other day about Mr. Kierans.

Mr. Diefenbaker: Is the minister saying that he is approaching this matter with that seriousness which it deserves when all he places before the house is what he has read this morning from a newspaper?

Mr. Gordon: I think I am approaching this question with the utmost seriousness, which it deserves. I have been doing so ever since last July.

Mr. Martineau: A supplementary question. The minister has just asserted that the drop was due to the uncertain—

Mr. Speaker: Order, please. I wonder if the hon. member would rephrase his question.

Mr. Martineau: My question to the minister is, is that uncertainty which prevails due to some of the actions of the present government?

Mr. Gordon: I would not think so, Mr. Speaker.

Mr. Martineau: Everyone else does.

Mr. T. C. Douglas (Burnaby-Coquitlam): Could I ask the minister whether he knows if this exemption will extend to provincial and municipal securities?

Mr. Gordon: That was the intention. That was recommended by the administration. That is the implication of the press report, but I will have to wait until I get the report.

Mr. Douglas: Has it been confirmed by the house of representatives?

Mr. Gordon: According to the press it has, but as I said earlier I have not got the report of the ways and means committee.

BUSINESS OF THE HOUSE

PRIORITY FOR CONSIDERATION OF BILL NO. C-5

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Prime Minister in connection with his announcement of priorities this morning. Does the government intend to give a place in its list of priorities to Bill No. C-5, respecting the position of primary producers under the Bankruptcy Act, if this bill is reported back from the committee next week?

Right Hon. L. B. Pearson (Prime Minister): This is, of course, a private member's bill, and there has been no report from the committee concerning it. I was dealing with public legislation this morning.

GRAIN

DURUM WHEAT—STATEMENT ON DELIVERY PROSPECTS

On the orders of the day:

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, yesterday the hon. member for Moose Jaw-Lake Centre asked me about Durum wheat. As he knows, there are no longer special quota arrangements for the delivery of Durum wheat, which can be delivered on the specified acreage quota itself. As for the general situation regarding Durum wheat, stocks in the elevators are fairly large. At November 27 there were 26.6 million bushels compared with 15.6 million bushels at this date a year ago. On the other hand, exports at November 27 were up from 9.1 million bushels last

year to 11.8 million bushels. I am informed by the wheat board that they expect that exports will be larger this year than last.

INQUIRY FOR RETURN

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I place a request before the Secretary of State. Will he look at the motion for the production of papers No. 105 passed on October 23, under which the house ordered the tabling of correspondence with life insurance and other companies regarding the Canada pension plan. Six weeks having gone by, perhaps this return could be brought down.

Hon. J. W. Pickersgill (Secretary of State): I would be very glad to inquire into this matter, Mr. Speaker.

INDUSTRY

MONTREAL—REPORTED OBJECTION TO PRODUCTION OF CARAVELLE AIRCRAFT

On the orders of the day:

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, may I put a question to the Minister of Industry?

Is there any ground for the report to the effect that Canadair authorities objected to the construction of the Caravelle because of the prohibitive cost of the equipment necessary to build this aircraft?

[*Text*]

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I was not aware that the administration of Trans-Canada Air Lines did object to the construction of the Caravelle.

Mr. Caouette: I did not say Trans-Canada; I said Canadair in Montreal.

Mr. Drury: I was not aware, either, that the administration of Canadair objected to the construction of the Caravelle.

Mr. Speaker: Special order No. 1.

Mr. Pickersgill: Mr. Speaker, I wonder if I could interrupt to suggest that all four resolutions be called, or all three, depending on the wish of the house; that is to say, the first one, the third one and the fourth one. If the house would be agreeable to the second one respecting the payment of certain provincial taxes and dues, we could take them all in committee at once and have all the bills introduced when we get out of committee.

Mr. Martineau: May I ask the Secretary of State a question. I am particularly interested in the resolution standing in the name of the Minister of Mines and Technical Surveys. Do I understand that this is being done on the understanding that whatever debate might be relevant at the resolution stage would be relevant on second reading?

Mr. Pickersgill: That applies to all these measures. I think there was an understanding among the representatives of all parties in debate, so that anything which would have been relevant at the resolution stage would not be objected to from this side of the house at the subsequent stage of debate.

Mr. Churchill: That was the understanding, and as far as we are concerned we would take the four resolutions now.

SMALL BUSINESSES LOANS ACT

AMENDMENTS EXTENDING LOAN PERIOD, ESTABLISHING NEW PERIOD, ETC.

Hon. Walter L. Gordon (Minister of Finance) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Small Businesses Loans Act to extend until December 31, 1966 the time during which guaranteed business improvement loans may be made under the act; to provide for the establishment of a new loan period during which business improvement loans made by banks may be guaranteed by the Minister of Finance; to provide that the minister is not liable in respect of losses sustained by banks for business improvement loans made during the new loan period after the aggregate principal amount of such loans made by all banks during the period exceeds $300,000,000; and to make certain clarifying amendments to the securities provisions of the act.

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

Resolution reported and concurred in.

Mr. Gordon thereupon moved for leave to introduce Bill No. C-122, to amend the Small Businesses Loans Act.

Motion agreed to and bill read the first time.

CROWN CORPORATIONS

PROVISION FOR PAYMENT OF CERTAIN PROVINCIAL TAXES AND FEES

Hon. Walter L. Gordon (Minister of Finance) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to provide for the payment of certain provincial taxes and fees by crown corporations on or after the 1st day of April, 1962.

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

Resolution reported and concurred in.

Mr. Gordon thereupon moved for leave to introduce Bill No. C-123, respecting the payment of certain provincial taxes and fees by crown corporations.

Motion agreed to and bill read the first time.

EMERGENCY GOLD MINING ASSISTANCE ACT

AMENDMENTS EXTENDING APPLICATION AND MAKING CHANGES IN ADMINISTRATION

Hon. W. M. Benidickson (Minister of Mines and Technical Surveys) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Emergency Gold Mining Assistance Act to extend its application to the years 1964, 1965, 1966 and 1967; and to provide also for certain changes in connection with the administration of the act.

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

Resolution reported and concurred in.

Mr. Benidickson thereupon moved for leave to introduce Bill No. C-124, to amend the Emergency Gold Mining Assistance Act.

Motion agreed to and bill read the first time.

PENSIONS

AMENDMENTS RESPECTING OLD AGE ASSISTANCE, BLIND AND DISABLED PAYMENTS, ETC.

Hon. Judy V. LaMarsh (Minister of National Health and Welfare) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Old Age Assistance Act, the Disabled Persons Act and the Blind Persons Act to increase to seventy five dollars per month the maximum amount of assistance or allowance, as the case may be, in respect of which payment may, subject to such action as may be necessary by the appropriate provincial authorities, be made to the provinces under the provisions of those acts and to increase the total amount of allowable income, inclusive of assistance or allowance, by one hundred and twenty dollars a year in the case of an unmarried person and two hundred and forty dollars a year in the case of a married person, the said measure to be effective the 1st day of December, 1963.

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

Resolution reported and concurred in.

Miss LaMarsh thereupon moved for leave to introduce Bill No. C-125, to amend the Old Age Assistance Act, the Disabled Persons Act and the Blind Persons Act.

Motion agreed to and bill read the first time.

SUPPLY

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

DEPARTMENT OF NATIONAL DEFENCE

1. Departmental administration including authority, notwithstanding section 30 of the Financial Administration Act, and subject to allotment by the treasury board, for total commitments of $2,529,570,600 for the purposes of votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50, 55, 60 and 65 of this department regardless of the year in which such commitments will come in course of payment (of which it is estimated that $978,136,600 will come due for payment in future years) and authority to make recoverable advances under any of the said votes in respect of assistance rendered to the United Nations, any party of the North Atlantic Treaty Organization or any provincial or municipal government, $3,432,000.

Mc. MacInnis: At the conclusion of my remarks last night I was referring to the attitude of the present government and the action which has recently been taken. I would like to repeat, with regard to this so-called brave decision of the Minister of National Defence and the cutbacks announced yesterday, that it would be much better if he had followed the commitment undertaken by his government to cancel the Bomarc program. There was a definite commitment by the government to renegotiate the Bomarc program. I repeat, in the light of my experience on the defence committee and in the light of my experience in the various allied nations we had an opportunity to visit, that those nations have placed the emphasis for their defence on tactical and strategic weapons, both of which are offensive weapons. Never is emphasis placed on defensive weapons. Considering the fact that this government promised to renegotiate the Bomarc program, I would point out that this is a defensive weapons which is not in line with any theory of defence based on the deterrent and the use of offensive weapons both tactical and strategic. There is no doubt that the cancellation of the Bomarc program—

The Chairman: Could we have some order?

Mr. MacInnis: I was not sure whether the minister of defence was on his feet or not. A little order will be required here, especially from the minister who is responsible for these matters. He has no intention of paying attention to what I have been saying on the subject of defence. This is a very pertinent matter at this time, and there is not much sense in my carrying on with the debate—

Mr. Byrne: Not much attention is being paid on that side.

Mr. MacInnis: There seems to be quite an effort on the part of members opposite to

represent Cape Breton South. I have been given the floor. I must warn them that there are certain procedures they have to go through, and since they have not gone through them, I have the recognition of the Chair and the least I can expect is order from the other side. Members on the other side will have an opportunity to refute what I have to say, if they will get on their feet and say it later. But while I have the floor I would appreciate a little quiet, especially from the member from British Columbia, whatever his constituency is.

I say the attitude of the government has been hypocritical throughout, and the hypocrisy shown yesterday by the minister of defence was such that it should turn the stomachs of everybody in the services. He got up and complimented the services on their ability. We had a good example of that overseas. I do not question that for a moment. The men and women in our services deserve every compliment that can be paid to them. But while complimenting them on their service, the same minister has defied the wishes expressed by the senior officers in the navy; he has defied the opinions expressed by officers holding high positions in the upper echelon of the army and he has ignored their representations. Again, I ask the question: where is he getting his advice from? He has completely ignored the advice which has been given him.

The minister has gone before the defence committee and said: Forget what I have said about defence. And, really, we should. Here the opportunity was taken to save a certain amount of money. As far as I can calculate the savings from the cuts announced yesterday, they will amount to about $37 million. I say: get rid of the useless Bomarcs and perhaps these cuts can be restored. The minister has, in the past, talked a great deal about commitments. What about the commitments made by the previous government? What is he doing about the commitment of the government to maintain the operations of the naval base? As the hon. member for Cape Breton North and Victoria said yesterday, these operations were not only maintained but they were increased under the previous government. The minister has now gone into Cape Breton and cancelled out these gains. We are grateful for the heavy water plant, but he has now taken more employment away from us than we derived through the benefits of the heavy water project. Cancellation of the operation of this base amounts to the betrayal of a commitment. The former government had undertaken to maintain this base and increase its operation. Now the present minister, who was so concerned about commitments has gone back on that undertaking and does not consider it to be a national commitment, important, in every way, shape or form, hypocritical, every step.

The cut-back affecting the naval base will bring a grievous problem to the people of Cape Breton. What about the contracts under the Department of National Defence? Contracts for the naval base at Point Edward have been either cancelled or postponed. A tracking station which was on the planning board and which was to have been placed at the north end of Cape Breton has also been cancelled. Everywhere we look, across the board, we see cancellations, withdrawals or delays. Even in the constituency of the Minister of Labour contracts have been cancelled. As I understand it, no consideration whatever was given to the contractors who, at great expense to themselves, had estimated the cost of these programs. I understand that one particular contractor has been the successful bidder for three of these contracts and that not one of them has been activated. I have no axe to grind in this respect. None of the contracts involved are in my constituency. But it only underlines the attitude taken by the government toward these matters.

Mr. Deschatelets: Do not take yourself too seriously.

Mr. MacInnis: Here we go again; "too seriously", someone says.

Mr. Deschatelets: I said so.

Mr. MacInnis: Well, get on your feet and say it. I am not going to be standing here and taking those remarks from a man who has not the guts to get on his feet and say it. Put him in his place.

The Chairman: Order. May we have some order? It is difficult to follow the remarks of the hon. member if there are these interruptions. At the same time, I would suggest to the hon. member who has the floor that he kindly address the Chair.

Mr. MacInnis: Mr. Chairman, I appreciate very much the difficulties under which you are working, but in a case where order has to be called with reference to any particular member I think it was your place, Mr. Chairman, to identify the Minister of Public Works who did not have the guts to get up and repeat what he had said.

Mr. Deschatelets: On a question of privilege, Mr. Chairman—

Mr. MacInnis: I will say one more thing before I resume my seat.

The Chairman: Order. Is the minister rising on a point of order?

Mr. Deschatelets: On a question of privilege, Mr. Chairman. The hon. member said I have not got the guts to repeat what I said. I am going to repeat what I said.

Mr. MacInnis: This is not a point of order.

Mr. Deschatelets: I said that the hon. member should not take himself too seriously.

The Chairman: Order. Perhaps I should be given the opportunity to hear what the minister has to say.

Mr. MacInnis: Provided he has a proper question of privilege. My remark was that the Chair should have identified the Minister of Public Works.

The Chairman: Order.

Mr. MacInnis: I suggested that the minister should have been identified.

The Chairman: Order. Will the hon. member resume his seat. I would think it is for the Chair to decide whether there is a question of privilege and not for the hon. member for Cape Breton South. I am sorry, but with the interruptions I did not hear what the minister said. Perhaps he would like to repeat it.

Mr. Deschatelets: I said that the hon. member should not take himself too seriously.

The Chairman: That, of course, is not a question of privilege. I recognize that.

Mr. MacInnis: I hope the Minister of Public Works will also say the same thing to the Minister of National Defence. I will say one more thing before I resume my seat. I disagree with the remark made by the hon. member for Cape Breton North and Victoria when he referred to the shoes of the Leader of the Opposition. He made a remark which I am not going to repeat. But I will say that I disagree for the very reason that I believe the record of the Minister of National Defence in the last war would indicate otherwise, and that possibly the minister is only qualified to do what the hon. member for Cape Breton North and Victoria suggested yesterday he was not fit to do.

Since the Liberal backbenchers seem to want to place the Minister of National Defence in the hero role, I should like to suggest that he return to that role for which he was well suited during the war years when he got his headlines because of driving a motorcycle from California to his home town, a very dangerous mission. Since this is the role best suited to this hero, why does he not get back on that motorcycle and return to California?

Some hon. Members: Shame.

Mr. MacInnis: As is suggested, shame.

[*Translation*]

Mr. Cardin: Mr. Chairman, I have listened with the utmost attention to the speeches made during this debate on national defence. All these speeches, with one or two exceptions—and more particularly with the exception of the speech we have just heard, and which clearly does not deserve any comments—have been serious and well documented; they proved that the essential problem of our national defence is taken seriously.

On the other hand, I feel that many members do not fully realize the magnitude and the necessity of the review which the Minister of National Defence (Mr. Hellyer) has undertaken a few months ago.

Naturally, the minister cannot very well speak himself of what he has accomplished in that field; however, as I have been indirectly connected with that review, I feel that I must inform this house of what is understood by a survey of national defence policy.

May I tell the committee that I feel very happy to have been able to bring my small contribution to that survey. I also wish to stress the fact that my colleague the Minister of National Defence and myself are jointly responsible, and that I accept my share of responsibility for any serious decisions which have already been taken, or which might be taken later.

That survey, which started sometime ago, and which is unprecedented, requires considerable amount of work. The Minister of National Defence had to draw upon his resources of courage, determination and initiative in order to undertake such a review.

Last April, not long after having been appointed Minister of National Defence, he started a series of surveys on the three armed services and throughout the national defence department. I must say that the employees of the department not only offered their cooperation, but were quite enthusiastic, because they realized, as did many others in the country, that it was time to look more closely into our national defence set-up.

Some might ask why we should deem it necessary to proceed with an extensive survey of our national defence system. Well, there were two reasons for it in mind: the first one was that we are living in a new era, where scientific and technical progress controls our way of life. But it is mainly since the first atomic bomb was dropped that we had to undergo those changes, and today's strategy and art of war are very different from what they were before.

It is hardly probable that we should now be called upon to fight a war similar to those in which we took part in 1914 and 1939.

Yet, in spite of those changes in the international and armament fields, there did not seem to be any comparative transformation within the national defence department; we were still preparing to fight a war according to the standards of 1939, or 1914.

Mr. Chairman, some things have changed now, while others have not, which means the necessity for Canada to participate, with the other western countries, in security and collective defence organizations like NATO.

Russia has still the same objective, it is only by having a collective force to face any possible aggression that we will be able to maintain peace.

Now, I heard somebody say yesterday that there was no possible defence against nuclear arms. Probably not. Yet, if we proceed to arm ourselves it is not so much to fight a war, but to safeguard peace. That is the very reason for which we have troops in NATO, that is, to be able to maintain peace in Europe.

If we had to take our forces out of NATO, we would be in the very same position as in 1939, and Russia would again start its aggressive policy against the west European countries as it did a few years ago with regard to east European countries. I would say, Mr. Chairman, that it is our responsibility to contribute to organizations grouping collective defence forces.

We must also make available to that collective force the best we have, the most effective equipment we can find and what we can afford as a country with a population of 19 million people.

The second reason which justified a complete review of the expenditures of the Department of National Defence is that those expenditures were going up at a staggering pace, to the point that if that situation had continued, the expenditures of the Department of National Defence would have exceeded the $2 billion mark by 1970, and that, without having any more assurance that the weapons and equipment available could be adequate to face the conflicts which might arise in the next 10, 15, or 20 years.

Mr. Chairman, I regret that during this debate, some hon. members tried to indulge in petty politics. Surely, the matter of national defence and all the problems involved call for the good will of everyone.

I have listened to the speeches made yesterday and today by members of this house on the estimates of the Department of National Defence. Some of them were very good. Constructive suggestions were made and take my word, they will be given serious consideration.

At the very beginning of his remarks, the Minister of National Defence stated his two-stage plan to cut down expenditures.

As he stated himself, the first phase consisted of a general house cleaning, that is, the expenditures were fully looked into. Attempts were made to avoid duplication, to eliminate wasteful and excessive expenditures and also to cope with uneconomic operations.

Mr. Chairman, I can assure the hon. member for Calgary North (Mr. Harkness) that cuts in expenditures were not made lightly and in a haphazard way and without due consideration. On the contrary, nothing has been cut out before one, two or even three studies have been made into such matters, so as to ensure the general efficiency of our armed forces, both in Canada and in Europe, while curtailing those expenses that could be reduced.

I am convinced that most responsible people will admit that we had tremendous difficulties in deciding to cut certain expenses made by the Department of National Defence. It was not easy to decide to curtail the expenses on such and such an item as, for example, the frigate or aircraft program. It is not easy, moreover, to eliminate radar stations throughout the country.

Since such steps were so difficult to take and so unpopular, I feel it should be recognized that we took them because we thought we were justified in doing so in the common interest.

We are not indifferent to the difficulties that decision might create in the country; we are not indifferent to the fact that people will be laid off. We want to do everything possible to help retrain them. We will, as much as possible, stagger those lay-offs over a period of a few months.

We will work in co-operation with the Departments of Labour and Industry to put these people back to work in industry, if possible. We do not feel some uneconomic stations should be maintained just to keep men at work. In my opinion, we cannot accept that principle. I feel it is a matter of finding for these people another job that will enable them to earn a living.

Mr. Chairman, with regard to the second stage of that plan, the Minister of National Defence has intimated that it would be made public at the beginning of next year. That second stage is related to what we have done already. On the other hand, much research remains to be done before that program is completed and put into force.

That is what we are doing now. We are trying to create a military force that will meet our requirements in Canada as well as in Europe. We want to set up, in the next ten

or 15 years, a well-balanced mobile force equipped with the latest weapons and equipment.

Of course some complain because it took us eight months to formulate a complete plan. Well, I sincerely feel that there are not three members in this house who have any idea of the work involved in the preparation of national defence estimates. And I fail to understand how the hon. member for Winnipeg South Centre (Mr. Churchill) and the hon. member for Pontiac (Mr. Martineau) can criticize the government and the Minister of National Defence for not revealing their defence policy.

Mr. Martineau: What is that policy?

Mr. Cardin: Those two hon. members sit on the special defence committee and have been given all the information they requested. There is a reason why we cannot reveal what our defence policy will be.

[*Text*]

Mr. Churchill: Will the minister permit a question?

Mr. Cardin: Yes.

Mr. Churchill: The minister has just said that the people on the defence committee had all the required information. Not one word of the proposed annihilation of the militia was given to that committee. We have had no information about the reduction of the reserve force. What does the minister mean, therefore, by saying that information has been given to that committee?

Mr. Cardin: What I meant, Mr. Chairman, was that there are no precedents for the information that has been given to the special committee on defence. It has been given all possible help in order to arrive at some kind of policy. The committee has been free to call any witness. It has been allowed to go to NORAD, overseas and anywhere it desired. It was allowed to call anyone. The minister was there and offered to appear before the committee at any time that the committee might want him to do so. If the members of the committee did not do this, then it is not our fault.

Mr. Churchill: You are doing things behind the back of the committee, and that is what I object to.

Mr. Cardin: I know how the hon. member feels. However, we have given the committee all the powers that could be given. I do not believe the committee can replace the government, and the decisions that have to be taken will be taken.

[*Translation*]

Mr. Martineau: May I ask the minister another question?

Would the associate minister agree that when the Minister of National Defence appeared before the special defence committee he gave no inkling of the changes in the military expenditures he announced yesterday?

Mr. Cardin: No, Mr. Chairman, he may not have said anything and, in my opinion, it was not up to him to do so.

[*Text*]

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Cardin: Mr. Chairman, a few weeks ago I had the pleasure and the privilege of visiting our troops in Europe, and like most hon. members of the house who had that opportunity I came away with a feeling of pride in both the brigade and the air division. I have been told by General Stockwell of SHAPE, the British general, that our brigade are the best troops, best trained and best disciplined in Europe. They enjoy an excellent reputation among the countries of Europe and they have been given an assignment that shows the confidence that is placed in them. We can all be justly proud of our Canadians overseas.

The same thing can equally be said of the air division. I have also been told that most of the air forces in NATO look up to our air division, and the members of it are doing an exceptionally fine job under conditions that are not always very easy. They should have our support and our appreciation for their work.

I find it very regrettable that one of our Canadian magazine writers who visited our air division thought it necessary to write a most deprecative article. I have often wondered what prompts a writer to turn out that type of article. All I can say here is that I believe the article was uncalled for, unfair, unjust and untrue. I only wish that the people who may have read it could have the opportunity of visiting the air division in Germany to find out for themselves that we can be justly proud of it and that we need not in any way take for granted what this writer has written.

Mr. Fisher: Would the associate minister at least identify the magazine so that we could get some idea what he is talking about?

Mr. Cardin: I would, if it were not for the fact that in doing so I would give more

publicity to the article than I wish. I will tell the hon. member personally, if he wants to hear it.

Mr. Fairweather: I would like to hear it, too.

Mr. Cardin: You come and see me, too. During the course of the debate it has been said that our forces in Europe are ill equipped and they do not have a definite role. Of course this is unfounded. As far as the brigade is concerned the equipment is good, except for one weakness and that is the armoured personnel carrier which we are going to change as soon as it is feasible. So far as the role is concerned, the Canadian brigade has been given a definite role and an important role in the whole set-up of NATO forces in Europe.

So far as the air division is concerned, it too has an important role to play, a role that was accepted by the previous government. Now, Mr. Chairman, we have the same people who gave this role to our air division asking questions about arming our four weapon systems with nuclear warheads.

I can understand the concern of the hon. member for Calgary North who was in favour of them, and who felt there was nothing else to do but to arm the Bomarc, the Voodoo, the CF-104 and the Honest John with nuclear weapons. I can understand that, but I cannot understand the anxiety that was displayed by the hon. member for Winnipeg South Centre who, during his term of office, even as minister of national defence could not see his way clear to provide nuclear weapons for these four missile systems.

Mr. Churchill: May I ask the minister a question?

Mr. Cardin: Yes.

Mr. Churchill: Were there nuclear warheads available during the term I served as minister of national defence?

Mr. Cardin: No, perhaps there were not—

Mr. Churchill: Are they available now?

Mr. Cardin: —because the hon. member at that time was not even willing to sign the agreement with the United States for the procurement of these weapons.

Mr. Churchill: May I ask another question? Are missile dumps for nuclear weapons for the air division in Germany completed? Have the missiles been placed in those dumps by the Americans?

Mr. Cardin: If the hon. member will let me go on I think I have the answer for him right here. But it seems strange for the hon. member, who was so silent and reticent about these nuclear weapons, that he should now be exhorting this government to acquire these weapons in a relatively short space of time. He has even accused us of not having fulfilled our duty—

Mr. Churchill: That is right; you have not.

Mr. Cardin: —because the weapons were not provided with these missile systems. I am sure the hon. member knows quite well that there were several procedures that had to be carried out before the weapons could be acquired. One of those was the basic government-to-government agreement, which was signed on August 16, 1963. Then there were also the technical agreements that had to follow with respect to the Voodoo and Bomarc. These were completed on October 18, 1963. The agreement concerning the CF-104's is expected to be completed shortly.

To answer the question the hon. member asked with regard to the construction of the necessary storage sites and other facilities for nuclear weapons, these facilities for the air division are provided under the infrastructure arrangements and it is expected they will be completed about the spring of 1964. In Canada it was considered prudent not to commence construction of these facilities in so far as the interceptor squadrons are concerned until a nuclear agreement had been signed and the technical agreements completed. Contracts for the construction of these facilities are now being awarded, but they will not be completed until the late summer or fall of 1964. The facilities for the acceptance of these weapons for the Bomarc are available and we anticipate the delivery of the weapons in the very near future. I might add that the authorization for delivery of the weapons must be given by the President personally, and President Kennedy's untimely death has caused some delay.

The hon. member for Winnipeg South Centre and the hon. member for Calgary North posed questions as to why we phased out the interceptors, the F-86's, before having acquired nuclear weapons for the CF-104's. I am sure both hon. members must know that the conversion of the overseas squadrons to their new role is being undertaken in accordance with SACEUR's plans. There is no alternative to making a conversion of this kind than to discontinue flying the F-86 aircraft because the crews and all the facilities at the bases must be used in converting the crews to their new operational role.

It was earlier expected that the conversion of the R.C.A.F. air division squadrons to CF-104 aircraft would be completed before the end of 1963. Due to technical difficulties with these very complex aircraft it was not possible to train the pilots for the air division

squadrons in their new role at the operational training unit at Cold Lake, Alberta, as quickly as would have been required to meet this schedule. There will, therefore, be a few months delay in getting the last squadron formed in Europe. This will be accomplished early in 1964.

If the hon. member was justified in claiming that we did not do our duty because we were unable to furnish these weapons in a period of eight months, I wonder how he can excuse the procrastination of the previous government, which in that time were not even willing to sign the agreements with the United States for the procurement of these weapons.

Mr. Churchill: Mr. Chairman, would the minister permit another question, or would he prefer me to speak later on this subject? He has just said it is under SACEUR's arrangements that the changeover was effected from Sabre jets to 104's. He has just said it was under the infrastructure of NATO that the missile dumps were to be constructed. If that is the case—and it was the case—what could have been done by the previous government to provide the nuclear weapons for those 'planes?

Mr. Woolliams: That will take some consultation again.

Mr. Cardin: Mr. Chairman, my colleague informs me that the infrastructure that was being built was held up because of the fact that the government had not agreed to sign any agreement with the United States.

Mr. Churchill: I regret that I cannot accept that statement.

Mr. Hellyer: It is true, whether you accept it or not.

Mr. Churchill: It is not true.

Mr. Hellyer: Certainly it is.

Mr. Cardin: The hon. member for Cape Breton South—I think he may have corrected this statement earlier today; I am not sure—yesterday claimed that the cost of maintaining the Bomarc sites was $9 million a year. Actually the cost of maintaining the two Bomarc sites is approximately $3 million a year. Of course, the hon. member—

Mr. MacInnis: Mr. Chairman, if the minister would permit it, I can clarify this matter. If the minister checks my remarks he will see I made a correction. I was referring to the expense saved in the cut-back. There was an interchange of the remarks in *Hansard,* and if the minister will examine what was said he will find I was referring to just the keeping, the holding of the Bomarcs as being in the vicinity of $9 million a year. It had nothing to do with the maintenance or the capital cost.

Mr. Cardin: I accept the hon. member's correction as valid, Mr. Chairman. However, the cost of maintaining the two Bomarc sites is approximately $3 million a year. The hon. member thought we should scrap the Bomarc and he based those remarks on statements purportedly made by Mr. McNamara. I understand that the hon. member is going to Washington very shortly with the special committee on defence, and I would invite him to try to get further information as to that aspect. As far as I know, the Bomarc "B" will be required for several years to come, and indeed Mr. McNamara pointed out that for the protection obtained from the Bomarc he did not believe the annual operating cost to the United States of $20 million was an unreasonable amount. So there is, I am quite sure, ample proof to show that the Bomarc "B" has a very useful life for several more years.

Mr. MacInnis: Mr. Chairman, would the minister permit another question? Will he indicate to this committee where in the NATO group of countries there is a defensive nuclear weapon other than those, as we were informed in Europe, of a tactical and strategic nature, which are of course offensive weapons. Their defence is based on the deterrent power of these weapons.

Mr. Cardin: Mr. Chairman, I think we could have a long debate on that question. But I would say that you cannot quite compare any of the NATO countries with our geographic situation here with the United States; and the Bomarcs, of course, are exclusively for the defence of the North American continent. The hon. member for Calgary North asked some questions pertaining to the auxiliary vessels that were to be taken out of service, and reductions to the fleet. These reductions comprise two small stores ships; two 46-feet harbour ferries; two 75-feet harbour ferries; one fire tug; two Glen class tugs, and one Saint class tug. The one Saint class tug is to be put in reserve. However, the other nine vessels were constructed during the second world war and would be due for disposal very shortly.

The hon. member for Calgary North, I think it was, was also worried about the possibility of holding winter training if we should withdraw from Churchill. I would like to tell the hon. member that the present garrison is basically an administrative one, supporting a small Canadian army training establishment, the establishments of the other services and D.R.B., and the Churchill research range. The Canadian army and

R.C.A.F. will continue to plan on using Fort Churchill as an advanced or staging base for defence operations or exercises in the eastern Arctic. Such exercises are also carried out at other locations. There is, for example, a joint exercise with the United States to be held in the Yukon and Alaska this year. Arrangements are being made with the Department of Transport regarding space for and maintenance of the stand-by communications equipment required for this purpose. Similar arrangements have been in effect for some time at other locations—for example, Fort Nelson, British Columbia—and have proven to be quite satisfactory.

The hon. member for Calgary North also inquired about the savings which were to be made, and he was making a comparison—

The Chairman: I am sorry to interrupt the minister, but his time has expired.

Mr. Churchill: Go on.

Mr. Cardin: I will take only a minute to answer this question, Mr. Chairman. The savings to be accomplished by transfers to other departments of government as distinct from savings due to abandonment of operations are as follows. First, the navy will transfer its housekeeping responsibilities at Fort Pepperrell to the Department of Public Works. Second, the army functions in connection with the northwest highway system are being transferred to the Department of Public Works. Third, the airfields at Resolute Bay, St. Hubert and Torbay are being transferred to the Department of Transport. Fourth, the R.C.A.F. air photographic section, Rockcliffe, is being transferred to the Department of Mines and Technical Surveys. As the hon. member will appreciate, it is difficult to estimate the exact change in cost to the government in operating and maintenance costs that will result from these transfers, but the total is expected to be in the vicinity of $10 million.

The Minister of National Defence and others of my colleagues, Mr. Chairman, will answer questions as they arise. May I, in conclusion, say that I am very much convinced that the decisions made by the Minister of National Defence are a right step in the right direction at the right time, and that as a result of this review not only will we have a clear and positive national defence policy but we will have more balanced, effective and versatile armed forces.

Mr. Smith: Mr. Chairman, it would have been very useful at this time if we could have had a general debate on policy, and it is to be earnestly hoped that such a debate will be held before the white paper is published. Because after the white paper is brought down government policy is fixed. So far as the timetable goes, I am quite sure we will have plenty of time to debate policy before it is published, because I can see the early flowers of spring blooming before we get the white paper here. However, in the meantime I commend to the minister the speech of the hon. member for Victoria, British Columbia, on naval policy. I am sure the minister can find a great deal of help from that speech when he is dealing with naval affairs.

The minister said in his opening remarks that our end objective is to get the best result for each defence dollar spent. I am sure every hon. member of the house and every Canadian agrees with that very worthy objective. However, I think we would have a lot more confidence in what the minister said yesterday if we were assured that the economies he talked about were real, and that they would not impair the efficiency of the services. I have the feeling that perhaps the Minister of Finance ought to be in the committee today, or at least his parliamentary secretary, because these changes and chops in the services were dictated more by the necessity of the Department of Finance, in its recovery from some of the worst mistakes made in the last budget and in its getting ready for the next budget, than from the point of view of military realities. It seems another case of the bright promise of April fading into the false dawn of winter.

I did agree with the minister on one matter, although not for the reasons he gave. I am very pleased to note that he is not proposing to close the military college at Royal Roads. I am much persuaded by the arguments of some former serving officers who suggest that it would be better for the services, for the officers and for the country generally, when it is necessary to give higher education to cadets and officers, to provide it in civilian universities, where the men would live in a civilian atmosphere rather than the narrow atmosphere of serving life. However, I realize that such a course is not possible at this time, because of the great shortage of universities and teachers, and as long as that shortage continues I should hope that such institutions as Royal Roads would be kept open. Indeed, one of the things which is most often overlooked in the discussion of defence expenditures generally is the great value derived from technical training, discipline, and the various courses of education given serving personnel while in the services. I think that is probably the most real dividend that we get from our expenditure on national defence.

I should like to say a few words later about the cuts in the militia. The minister was silent on this particular aspect but I hope he is not contemplating any cut in or curtailment of the training of army cadets, air cadets or

naval cadets. That training is also a most worth-while and necessary branch of military training and it has a value far beyond the short term needs of the moment, which at this particular time appear to one sitting here to be the need to help the Minister of Finance.

The minister said that his was a housekeeping statement. I have been wondering since last night who is going to keep house while the minister is making up his mind. There are many instances where he has not made up his mind, and this gives a rather disquieting feeling to one. I think it is disturbing and feel that we should have further reassurance beyond that given to us by the Associate Minister of National Defence just a few minutes ago. The minister was talking about the reduction of ten auxiliary naval vessels. It seems to me he was trying to come down on both sides of the fence. In one breath he said that the saving was very small, and in the next breath said: "Well, we are doing this to save money". It has always been my understanding that these surface craft and the few helicopters and planes in the navy formed a very small part of the strength of our naval forces, yet added a disproportionately high percentage to the efficiency of the force. In other words, the better served the more efficient are our naval vessels. I think we should have more assurance on this point.

Another matter I should like the minister to assure us on concerns a rumour current today—although a large number of "rumours" have subsequently proved true, as evidenced this week in relation to the Department of National Defence—that there is going to be a further cut in the establishment of our naval vessels. That matter was mentioned on the radio this morning.

There is another matter on which we should have some reassurance. We should know what alternative arrangements, if any, have been made following the decision to close the rescue station at Torbay, Newfoundland. Is the same degree of service to be provided? How are these necessary activities to be continued. Proposals have also been made to close down certain airfields. I think the savings which will follow are purely illusory. We regret the transfer of jurisdiction over the airfields at Resolute Bay, Churchill and, possibly, St. Hubert, though I am mainly concerned about the two in the north. I think this is a mistake. I do not think there will be any real saving and I believe it would be far better to allow those northern airfields to continue to be occupied and run by our armed forces.

There is another so-called economy which the minister has talked about and which causes us on this side of the committee some concern. It involves the transfer to the Department of Mines and Technical Surveys of work done by the photographic section of the R.C.A.F. It would seem to me that this branch of the R.C.A.F. should have been kept in being, not scrapped in response to some short term economic need.

We should like to hear some explanation from the minister, particularly in the light of what has been said by the associate minister, as to the probable date by which the Starfighters will be armed. We should also like to hear his views on whether it was wise or unwise to withdraw all our interceptors from their bases in Europe at a time when the Starfighters were a long way from being operational.

The minister has given his explanation of the cancellation of the frigate program. He has not said what is to become of our shipyards if the number of our naval vessels is to be reduced. Fewer vessels would be requiring repair and the result would be that shipyards which specialize in naval work would be unable to keep their staffs together. Attention should have been given to this problem earlier. Indeed, that should have been done before the destroyer escort frigate plan was cancelled.

I should also be interested to hear the minister tell us something about Canada's plans in connection with antisubmarine warfare. We know that under NATO there is an antisubmarine warfare research centre. We should like to know what part Canada is taking in the work of this centre and whether enough research work has been done to set some guide-lines so that we can start on a naval policy again before our naval shipyards have been completely destroyed.

The minister talked about savings—illusory savings, I think they are, for the most part, though I hope some of them are real. He has been talking about transferring various jobs from the Department of National Defence to the Department of Transport. I should like to suggest a job that we could transfer from one department to the other, and we could get on with it quickly, because the plans are already made. I refer to the rebuilding of a merchant navy, a task which would help shipyards all over Canada. Everywhere we go, in the defence committee and elsewhere, we hear talk about the need for mobility, the need to be able to move men and equipment rapidly. The United States is building a large fleet of specialized merchant ships. The British have a new merchant ship which can be easily converted to troop transportation. If we wish to shift some of the burdens which the Department of National Defence is now carrying, why not tell the Department of Transport to go ahead and

provide Canada with ten modern merchant vessels which could be easily converted to use in time of war and which could supply our northern stations in summer? Why not do this? It is a positive plan of action and it would save us foreign exchange because we would not have to pay so much out on foreign charters.

The minister spoke of giving those whose jobs will become redundant as much warning as possible. I suggest that his statement with regard to the radar station, leaving it in doubt whether it would be closed or not, is bound to have a most unsettling effect on those directly concerned. If the minister is not yet ready to make an announcement it is unfortunate that the news was allowed to get out. The same applies to the reduction in our naval forces, which he foreshadowed.

The minister based his programs on ability to obtain worth-while economies. I suggest he could have found other fields for economies during the eight months in which he has held office. He could have found some of them by reading parts of the Glassco report. I would be interested to hear him tell the committee what progress was being made in the co-ordination of specialized services within the department. I have in mind the training which is common to those who serve in all arms—vehicle driving and mechanical skills, for example. I believe a much more worth-while saving could be made in this area than may be expected from some of the minister's proposals.

The part of the armed services most severely shaken by the minister's announcement yesterday will be the militia. Out of every ten men now serving in the militia, four are unnecessary—they can get out as quickly as possible. Maybe it works out to nine out of every 20—I did not calculate the percentage too carefully. I would like to remind the minister that the volunteer is the basis of our armed forces. We have never had conscription in time of peace, and even in time of war we have not had more than limited conscription. Frankly, I hope we shall always be able to get enough volunteers to satisfy our requirements for the armed services. We must have a certain facility or knowledge or friendliness with the armed services The minister may quote statistics to show that very few people serve in the militia and then go on to active service. I do not know. Statistics can be used in many ways. But I suggest the fact that we have a good militia and have always had a dedicated and interested militia has made it easier for us to get the soldiers we need for our armed forces on a volunteer basis. I hope that these and related matters will be taken into consideration before these cuts are made. Again, as hon. members know, militia has played a central part, in the last few years, in the operations of the emergency measures organization. Has proper consideration been given to the effect the minister's proposals could have on these arrangements, or is the emergency measures organization going to be abandoned? I think we should have a fairly full and detailed explanation of that point from the minister.

It would also be nice if the minister would give us a little of his thinking on future policy. We do not expect him to give the complete policy at this time but he has been fairly free and open at various meetings in expressing his views. I am an avid reader of the *Globe and Mail* and the Hamilton papers and I have noted that he has made some very interesting disclosures on policy. I should like him to make a few of his random thoughts available to us here in the house, so that we may get some idea of what our future policy is going to be.

In the associate minister's last remarks there was a somewhat disturbing note, because I got the impression that he was speaking of the Honest John and the weapon that will go on the Starfighter in a rather positive sense and more or less saying: You made the arrangements whereby they would be accepted, and therefore we have to accept them. Military history is strewn with discarded armaments, and I would hope that the decision to retain the Starfighter or not to retain the Starfighter and to retain the Honest John or not to retain the Honest John is made on a better and sounder basis than the fact that the previous government in 1959 or 1960 made a commitment. I trust that there is more logic and reason to the basis of the government's policy than is contained in the intimation we got from the associate minister. He looks a little concerned. I may have read something into his remarks that he did not think was there, but that is the impression I got from his final words.

Mr. Martin (Timmins): Mr. Chairman, it is not my intention in taking part in the debate this afternoon to try to cover the waterfront with regard to the Department of National Defence. I thought I might confine my remarks to a subject with which I have had the occasion to become fairly familiar in the last year and that is the Canadian role in NATO and, more particularly, the Canadian role in the NATO parliamentary association.

I had the honour of being the only member of the house who attended the NATO meeting last year, visited the NATO countries from Turkey through to Norway and again attended the NATO conference in Paris this fall. I

should like to give some of the observations I made and the opinions I gathered during these trips.

First of all, may I say it appeared to me that the Canadian NATO parliamentary delegation this year was able to make a much better impression at the conference than the delegation last year. This is not for the reason that was noised about so much in the newspapers approximately a year ago, but in my view came about because of the co-operation shown by the delegates who attended the conference this year. As I say, this is contrary to what happened last year. Unfortunately, some of the delegates last year seemed to be more intent on making political capital than they were in representing Canada at an international conference. I might add that some of those delegates now hold cabinet positions in the government.

I am very pleased to say that this year this was not apparent. The members of the delegation co-operated very well and I think the results at the conference showed that this is the proper way for a Canadian delegation to act when attending an international conference. In fact, the co-operation that was shown by the delegates who attended the conference in Paris this year could very well be followed in this house sometimes, and if it was I think we could accomplish much more than we seem to have over the last three or four months.

With regard to the visit in September to the various NATO countries, I cannot emphasize too much the importance of a trip of this kind from the point of view of its educational value to people who are interested in NATO. The trip, while a very hurried one, enabled the delegates to visit all these countries and to see at first hand things that before they had only heard about in speeches or read about in books. It also enabled us to see just what NATO means to these various countries. It is all very well for us to sit back some 3,000 miles away and debate the obvious shortcomings of NATO, but when you visit these countries and places and talk to both elected representatives and people from every walk of life you get a much better picture of just what NATO means to the various NATO countries.

There is something else that in my opinion we can and should learn, if we really want to take our proper role in NATO. We can learn about some of the things that are going on in some of these countries. We know that only 20 years ago many of these European countries were desolated and completely smashed. They had been overrun and completely subjugated. I should like hon. members to stop and think for a moment just what that does to the morale and pride of a country. Yet we find that in the short span of 20 years these countries have picked themselves up and have raised themselves to the point where today they have a higher standard of living than we have in Canada, which has had none of the problems to overcome that many of these countries have had.

We find, for example, that in a period of three years West Germany had to import over 800,000 Italian workers to fill jobs. We find that West Germany has a government agency whose task is to recruit workers in various countries to try to fill the jobs that industry is providing in that country today. Now that Italy is booming and the source of supply is dried up there, this agency has had to go to such countries as Turkey, Greece, Spain and Portugal, and according to the last information I have the agency was still running some 50,000 workers behind the demands of industry in West Germany. These are some of the things we can learn, bring back to this country and discuss in order to find out where we are falling short.

For example, let me take Norway, a country which had a political crisis while we were there. Some hon. members may recall reading in the newspapers that the government of Norway was defeated about the end of August or the first of September, but contrary to what happens in this country this did not force a general election. The leader of the opposition there was called upon to form a government but his government only lasted for three weeks. The leader of the previous government was then called upon again to form a government. The point I am trying to make is that if we would take a leaf out of their book we would not find ourselves, as we have far too often since I have been a member of the house, fighting the next election on the floor of the house instead of getting on with the business of the country. In Norway elections take place about every four years and in the meantime government continues in the manner I have outlined. In my opinion there are things we can learn from some of these countries.

We can learn from Sweden, Denmark, Italy and Norway how countries can get along very well with coalition governments. We should get away from the idea we have always had in this country that minority governments are a tragic thing, and that no country can operate properly with them.

As I say, when you look at these countries, when you see the standards of living they have and you see the manner in which they have recovered in the last 20 years, you realize that not one of these countries has had a government with a big majority such as we have had during this same length of

time. The problem is not whether we have a majority or minority government. The problem is what the government does with regard to the needs of the country. For example, we could see evidence all the way through the NATO conference this year of the almost overwhelming opinion that in the near future Harold Wilson would be forming the next government in Britain and Willy Brandt would head the democratic socialist government of Germany. In so far as Harold Wilson was concerned, this view was expressed by some of the Conservative delegates as well.

If these events occur, then it will mean there will be almost a solid front of democratic socialist governments from Sweden and Norway in the north clear through to the southern part of the NATO alliance, with one or two rare exceptions. Perhaps we will be able to learn whether or not there is any connection between the high standard of living and the obvious prosperity in these various countries, and the form of government that they have. We might then turn to democratic socialism in this country, instead of making it the bugaboo that the old parties and the newspapers of this country try to make it.

It is not enough, Mr. Chairman, merely to learn what we can do. If we are going to participate in NATO, to play our proper role, we must make our own contribution to this alliance. I must say that so far our contributions, other than a very minor military contribution, have not been great. Judging from what has happened in the past, if the Canadian delegates to NATO are wise, they will keep their mouths shut and their ears open in order that they may learn something. If they are not wise, they will open their mouths and display to all and sundry how little they know about this whole situation.

Why is this so, Mr. Chairman? I maintain that the reason for this situation is that we have a wrong attitude towards our participation in this alliance. We have sent new men every year to this conference. We have taken a stand that this is not a serious conference to be dealt with seriously. It is more of a junket by means of which we reward the faithful of the various parties. When it comes time to choose our delegates we look around to ascertain who has not yet had a trip.

I should like to give you two brief examples to illustrate my point. I refer to the hon member for Victoria (B.C.), a man who has a very distinguished background in the naval service of Canada, a man of unquestioned ability. In September he attended one of these conferences and visited the NATO countries from Turkey through to Norway. This year he was chairman of the Canadian military committee to the NATO conference. This hon. member was a member of the parliamentary defence committee, but was told when we were leaving Paris that he was being removed temporarily from the defence committee to make room for somebody else who wanted to go to Europe for a trip. I might add, too, that the hon. member has one other qualification in that he is a supporter of the present government of this country. My point is that if there was one man in this whole delegation who should have stayed with this tour by the Canadian military committee, it was the hon. member for Victoria (B.C.). However, that is not the way we run our business.

I will give you another illustration. Last year the hon. member for Edmonton East was chairman of the Canadian parliamentary delegation to NATO, and again was a member of the tour in September from Turkey through to Norway. This year he was not sent to participate, so no use was made of the knowledge he may have gained last year.

Now, Mr. Chairman, what can we, as Canadians, contribute to this conference? I say that we are truly well suited to make a contribution. All we need is men of high calibre who have gained the necessary experience to enable them to make that contribution. We have, traditionally, had a role which we have carried out for the last 100 years of interpreting the United States to the United Kingdom and, in turn, interpreting the United Kingdom to the United States. This should be a land of born diplomats. We have the experience of trying to carry on the government of a vast country made up of two distinct national groups. Possibly this is a poor time to mention this fact, because we do not seem to be doing too good a job of it at the moment. However, I would suggest that if the newspapers of the country would pay a little more attention to the cool heads on both sides and a little less attention to the crackpots, we might not be approaching the crisis we appear to be at the moment.

We have something else, Mr. Chairman, Canada has an excellent reputation abroad. This was brought about, in the main, by the conduct of Canadian troops during two world wars. It has been brought about also, as has been mentioned by several hon. members, by the deportment of the Canadian troops who are abroad at the moment as Canadian representatives in the NATO forces, and other places. We met many people, both in military circles and civilian life, who had only the highest praise for the Canadian personnel who are carrying out Canada's commitment to NATO at the present time. These other countries are looking for something more from Canadian representatives than they have had so far. I should like to

give another illustration, Mr. Chairman. We have, in the person of Senator Connolly, a man who has had great experience and who has shown tremendous interest in the NATO alliance. He is well qualified to be chairman of the whole NATO conference, but this will never be brought about until we have delegates behind him who can carry their proper role in the NATO conference. I suggest, Mr. Chairman, that these are some of the things we should think about the next time we send delegates.

First, we should choose people who are really interested in the NATO alliance. We should choose people who have recognized stability. We should appoint them for the duration of this parliament, and not just for one trip, be it to Paris, Berlin or any other place. They should continue their interest in this alliance the year around, and not just in the fall when the annual NATO conference is held. In fact, I would like them to hold monthly meetings in order to keep themselves posted on the latest developments in NATO. We should insist upon reports, both to the various caucuses and, by the chairman, to parliament itself, concerning what has been done by our representatives there. We should not hesitate to change any representative if we find he is not carrying out his duties properly. If we want to carry on as we have in the past, just rewarding the faithful with trips to Europe, then let us not make those trips to the NATO conference. Once we recognize the importance of this alliance, once we recognize what we could contribute to NATO and what we can contribute to this country by knowledge gained by NATO, then, and only then, can we play our proper role in NATO, make our proper contribution and make a greater contribution to the service of Canada itself.

Mr. Matheson: Mr. Chairman, members of parliament are frequently asked why we should place the emphasis we do on this matter of defence. Many members today have had phone calls from militiamen in their areas who have very strong views with respect to the service they have given to Canada and they, of course, regret it has been found necessary to cut back the amount that will be allotted for their own service.

We have other people, good people, who wonder why Canada is spending as much money as it is on defence. I think at the outset I should say the answer I see is that there is in existence a red army of 2.5 million men, highly mobile, well trained, fully equipped with nuclear as well as conventional weapons; an air force which is judged to be considerably over 12,000 aircraft; and a greatly strengthened navy of formidable submarine strength the like of which the world has never seen before. Those are the reasons that we have to look most earnestly at what we are doing in the area of national defence.

I remember back 40 years and have impressions of the military of that day. I was a little boy at that time, but I remember going down regularly to listen to the spritely music of the Royal 22nd band on the esplanade in Quebec, and visiting *Repulse*, *Renown* and maybe old *Hood* whenever they came into port. There was also the summer training at Petawawa and Valcartier, and all this represented the military effort of those days. It was pretty symbolic; but today we have an armoured brigade in Europe which is characterized as the best in the world. I do not think there is any dispute about that. I spent some time with the R.C.H.A. in Soest and I knew this regiment and its state of training in 1941, 1942 and 1943 when its quality and spirit was comparable in many respects to what is demonstrated today at Soest.

We find components of our army, navy and air force in Laos, Cambodia and Viet Nam. We find components of our army and air force in the Congo, and components of the navy and army operating in the Yemen. I mention these only as illustrations of the kind of extensive operation undertaken by our armed services today.

In my view, Mr. Chairman, defence is just one aspect of Canada's external policy, Canada looking out at the world, and here there is something of a contrast that we must face. I think we have three external departments, defence, external affairs, and trade and commerce, and ideally we would be very happy if these three branches of our government, our extrovert reaction to the world, would move in generally parallel directions. But we find they do not, and we deplore this.

The external affairs department takes the somewhat urbane and sophisticated view that we have got to live with everybody, that everybody is reasonably decent, that we want to extend our relations with them and communicate with them, that we want to understand people everywhere, and that the world is not made up of good guys and bad guys, cops and robbers. It is not like that at all. Today it is a case of where we must adjust, influence, make compromises, with the hope of extending the ring of friendship wherever we can.

Trade and commerce has quite a different point of view. There has been an aggressiveness displayed, particularly during post-war history, by both administrations, which shows that it is quite proper in the field of trade and commerce to trade zealously with our ideological enemies and be as good customers

as we can with them. We want to give them our wheat in good measure, pressed down, shaken together, and running over, and we deplore anything like bottles or glass in shipments to them. We are proud of the fact that we are able to move forward with the China Resources Company to important new contracts, and we have new extensive contracts with the U.S.S.R. providing for the sale of some 247 million bushels of wheat and flour. On October 8 Bulgaria signed a contract to buy 3.7 million bushels; on October 29 Czechoslovakia signed a contract to purchase 44 million bushels, and on November 5 Poland signed a contract to buy another 44 million bushels.

I am just mentioning these details because they demonstrate on this side of our external policy, that of trade and commerce, that we have come to regard these people as our very good customers and business friends. There is something paradoxical about the fact that we now regard these people as our good customers, and not as our enemies. I am sure that Canada is in the position of wishing that her external policies, involving trade and commerce and defence, could move along more generally parallel lines. Maybe one day they will.

Why is it we find ourselves in the particular defence posture that we do today? I submit, sir, that if we look at the pattern of the defence structure in Canada we find the only thing we are doing in defence is living up to alliances with our allies, and these alliances have been formed because we consider they are in the best interests of Canada, the free world, and the world at large. Perhaps it would be proper to list them chronologically, in a somewhat different way.

On June 26, 1945, the United Nations was formed, and there are a number of distinguished senior members in this house who actually were there and who can attest to the fact that the purpose of the United Nations was to maintain international peace and security, and to be a centre for harmonizing the actions of nations in the attainment of these common ends. That was the purpose why so many countries gathered together and entered into the United Nations organization. We remember that this did not work out, and because of the failure of the United Nations to do the things that were its declared objectives, there was formed the North Atlantic Treaty Organization. It was established on April 4, 1949. What are the objectives of the NATO allies?

> They seek to promote stability and well-being in the North Atlantic area.
>
> They are resolved to unite their efforts for collective defence and for the preservation of peace and security.

[Mr. Matheson.]

The parties to the agreement undertake to maintain and develop their individual and collective capacity to resist armed attack, and there was this most important undertaking that an armed attack against any one of them in Europe or North America was to be considered as an attack on them all.

Then on May 12, 1958, we entered into the NORAD contract, and there we find essentially the same philosophy but of course on a more local basis. In the documents covering NORAD we find this:

> It was essential, therefore, to have in existence in peacetime an organization, including the weapons, facilities and command structure which could operate at the outset of hostilities in accordance with a single air defence plan approved in advance by national authorities.

I think this was expressed most felicitously by the right hon. Leader of the Opposition, on February 20, 1959, when he was prime minister, as recorded at page 1223 of *Hansard* for that day. He said:

> Under the irresistible dictates of geography the defence of North America has become a joint enterprise of both Canada and the United States.

Mr. Chairman, it has been my privilege to be a member of the special committee on defence, and I have tried to be critical, to discover why it was that we are involved in the relationships and commitments in which we now find ourselves. Looking over the whole pattern of NORAD and its defence structure I cannot see a place where I feel there was a decision taken that was not very well considered, very thoughtfully considered from the standpoint of the best advice available at the time, and taken in the interests of Canada and the alliance. The particular alliance I am referring to here is our special military alliance with the United States. It seems to me it is proper I say this because many of us have asked whether these alliances we entered into were in the best interests of Canada.

In terms of actual material and personnel, Canada's contribution to NORAD may not be very outstanding, but what an amazing thing it is to be part of this tremendous defence complex of scientific and mechanical devices, defensive weapon systems, and dedicated personnel. The fact that our Air Marshal Slemon has been able to serve as deputy to three NORAD commanders shows the respect in which this country has been held.

Looking at NATO now, Mr. Chairman: NATO has been under fire at different times and by different people. I have not seen all the NATO countries but I have been in several of them this summer. In particular as a member of the defence committee, I have asked one question in every NATO country that we visited on this recent trip to Europe.

The question was this: In the event that Canada should feel, perhaps politically, that it was in her interests not to be involved in this particular role, the strike reconnaissance role, the CF-104 Starfighter role, delivering nuclear bombs, if we wished to get out of this role would we be doing a disservice to the alliance? I want to tell the committee, Mr. Chairman, that in every country in which I asked that question I received a very categorical and frank answer—and the answer was yes. This may not be an answer for all time, perhaps, but it seems perfectly clear that this role is an important one, probably dictated by military considerations at a very high level in the alliance.

We wondered, of course—particularly the members belonging to my party—why we got into the business of the delivery of these very offensive bombs. The answer appears clear. First of all, for five out of six years we have won both the team and individual competitions in Europe as flyers of interceptor aircraft. Our boys are just the best flyers there are in Europe. This is recognized. Also this country has had a tradition of political stability and it is appreciated even among our enemies, that we do not want to perform a disservice to anyone or take offensive action against anybody anywhere. I asked this question in the neutralist part of NATO, in Denmark. I asked it in France, with its considerations of force de frappe. What answer did I get—"Yes, this role is significant; it is important". The members of this committee asked this question in Germany and the answer by a responsible German was, "If you withdraw from that particular role, someone has to take it over"—probably Germany. Do you want Germany to take on this role?

If you ask this question in the Nordic countries, what is the answer? It is, "We have recognized it is an unattractive role. We do not have that role ourselves. We do not want it. But if you relinquish this role the fact is that someone else has to take it on; and it is a necessary role". And so say they about the role of our forward brigade. Why is it that one little Canadian brigade, that Alastair Buchan says costs the equivalent of two European divisions, and not even very magnificently equipped, I might say, is so important in that forward position? It is because it is a symbol of the integrity of the alliance, of the strength of the alliance. It is a symbol that North America cares.

Particularly after the ramifications, publicitywise, of operation Big Lift, this is highly important. At this time, it seems to me, we cannot countenance for a moment the withdrawal of this forward brigade from its present role. We know that a brigade cannot stop anything very much; we know that our brigade is right on the front line facing all this Russian strength; but the Russians know there is no offensive intent in a Canadian brigade. I am leaving aside questions of military hardware, questions of tactics, and so on. To me they are secondary to the continued location at the front of our brigade. We cannot fail to recognize the importance of our NATO relationship and particularly at a time of strains and stresses. We may be the factor to change, to alter, to shift NATO's strategy or even to reverse NATO's strategy with regard to the importance of tactical nuclear arms. I believe there will be this kind of shift; at least, I hope there will be.

The heavy reliance on tactical nuclear weapons in Europe I believe has been a mistake. There will have to be shifts to the conventional but they will have to come cautiously at the proper time. The way for these shifts to take place is collectively with leadership from a good ally that does its job superlatively, and Canada is the country that in my judgment can provide precisely that leadership within the NATO family.

I have touched on two of these alliances, Mr. Chairman. I do not want to weary the committee, but I think I must refer briefly, because this is so important, it seems to me, to the direction in which we are moving in the universal alliance known as the United Nations. This trend is highly significant. The U.N. was our first hope in defence. If that alliance could have been successful after 1945, as we all hoped it might, these two and a half million Russian troops would never have been maintained with expensive armour, guns and ultimately nuclear weapons. Had we been able to dispense with the costly defence of Europe, how much richer a world we would have been; how much richer a world in every important sphere. But unfortunately this hope has not materialized. We are still struggling with the hope that the United Nations will one day take over and move into this area which NATO has been compelled to fill, and which in its own sphere NORAD has been compelled to fill.

Our Prime Minister, in his speech to the general assembly on September 19, 1963, gave positive leadership to this principle of universal security with a proposal that could lead to a pooling of available resources and the development in a co-ordinated way of trained and equipped collective forces for United Nations' service to meet possible future demands for action under the blue flag of the United Nations. This was not just a casual speech. We find the then secretary of state for foreign affairs of the United Kingdom, Lord Home, on October 1, 1963, after discussions on this proposal saying:

I want to see the element of improvisation removed from such policing operations, and in particular a start made to strengthen on a permanent basis the chain of command at the disposal of the Secretary General;

The matter was pursued further by our Secretary of State for External Affairs, who on October 18, 1963, said before the first committee of the United Nations general assembly:

The Prime Minister of Canada urged others to adopt similar arrangements and he proposed that there should be an examination by interested governments of the problems and techniques of peacekeeping operations with a view to the development in a co-ordinated way of trained and equipped collective forces for United Nations service.

The Canadian Prime Minister was not advocating a standing United Nations army but rather the more modest objective of co-ordinated national preparations to meet the sort of United Nations requests a number of us have already repeatedly been called upon to fulfil.

We know this is technically and constitutionally difficult, but we know also that there are strong movements in this direction. The Nordic countries which have been happily able to stay out of this nuclear involvement altogether are able to present a nucleus for such a military force. We had the assurance of the Secretary of State for External Affairs at the external affairs committee last night that there was a collective interest in this recommendation. We should move along the lines suggested by Lieutenant General Guy Simonds when he said before the defence committee:

I believe that a role which is suited to a country of our size and having regard to the financial burdens possible to be borne over a lengthy term, would be a tri-service force whose main objective was peacekeeping. I believe its organization should be very much like that of the United States marine corps which is a mobile force complete with all its ancillaries and able to meet what are commonly called brushfire situations.

I think that is what the associate minister of defence means when he speaks of the objective of more balanced, more effective and more versatile armed forces. John Strachey puts forward this view:

The introduction of tactical nuclear weapons to redress the balance between the ground forces in Europe was a wholly unsuccessful move. But this is not to say that they could now be abandoned.

If Canada could play a part in the role of practical nuclear disarmament when such proves possible we would be bringing our defence policy more nearly into line with our other external policy of trade and commerce.

I listened with interest to my hon. friend representing the island of Cape Breton when he went after my colleague, the member from the bigger island of Newfoundland last night. As he was talking I was reminded of the minister in Little Cumbrae on the Clyde, who always prayed for the people of Little Cumbrae, then for the people of Great Cumbrae, and finally for the people of the adjoining islands of Great Britain and Ireland. Thus in our defence policy in Canada we must have regard for the defence of the North American continent under NORAD, and our common defence under NATO, these being our closest and most trusted allies. The democratic alliance of these NATO nations must be kept strong if it is to survive. But we must always bear in mind the ultimate purposes of the United Nations.

I will conclude, Mr. Chairman, with only one comment. Throughout the period of the sittings of our defence committee I personally have been disturbed and concerned with the fact that the proportion of our navy dollar, our army dollar and our air dollar devoted to equipment has declined each year since the Korean war. This decline has been rapid. This has happened under both administrations and it seems inevitable that as we proceed costs tend to increase. The cost of living is going up and we have been on a fixed budget with the result that we have been living on equipment capital in the army, navy and air force to a progressive degree for the last five to ten years.

I do not know what the proper proportion or balance should be. I have asked this question in a number of other countries. In some I have been told that the proportion of each dollar spent on the army, navy or air force should be 50 cents as to equipment and 50 cents as to the rest. In other countries I have been told that it should be something in the order of 30 cents on the dollar for equipment and 70 cents for the rest. But obviously we are compelled to make adjustments, there cannot be a progressive paring of equipment costs without specific displacement of our forces. Our brigade in Europe speaks of two great needs, that of armour and carriers on the one hand and adequate artillery on the other. Our guns at the present time are outgunned by equivalent German or Russian guns by 3,000 metres, and that is too serious a matter to leave unremedied. I know we must look at the whole matter of the militia again. One thing I deplore is that in all these statements which have come down from our service chiefs very little emphasis has been placed on the useful part the militia has played in any of its activities. Perhaps we in the committee have been negligent in not asking specifically for greater information on this question. A number of us have asked questions on the point, but perhaps not with the concentration which was necessary.

I know there are many who wish to contribute to this debate so I will conclude my remarks.

Mr. Churchill: Would the hon. member permit a question. With regard to his last statement, had the committee had any advance information that the militia was to be so seriously curtailed, would the committee not have taken this under consideration?

Mr. Matheson: I may say that I am not a member of the steering committee, although the hon. member who asked the question is.

Mr. Churchill: No, I am not.

Mr. Matheson: I am sorry, I thought he was.

Mr. Churchill: I am under the thumb of you people.

Mr. Matheson: I regard the hon. gentleman as one of the important leaders in our committee. I think it is fair to say that as a result of the committee sitting so regularly and having gone to so many places and interviewed so many people it may be that this matter of militia has been overlooked. I am sure we have not yet covered all the ground necessary to give a complete report, and I feel personally neglectful on the matter. I asked questions relating to militia of a number of witnesses, and I know that the hon. gentleman who asked me this question has as well. He has demonstrated the same concern. All I am saying, and I am sure he will agree with me, is that the evidence on the record to date does not give a very compelling argument in favour of the role of the militia. That is certainly the case with respect to the briefs presented by the service chiefs. I think the matter should be re-examined.

[*Translation*]

Mr. Latulippe: Mr. Chairman, may I ask the minister a question?

An hon. Member: He is not a minister.

Mr. Latulippe: In view of the threats caused by nuclear weapons, is the hon. member for Leeds (Mr. Matheson)) not of the opinion that it would be better for us to engage in peaceful pursuits instead of preparations for war, and that our efforts should be directed towards the setting up of peaceful undertakings?

[*Text*]

Mr. Matheson: In answer to this question, Mr. Chairman, no person more than the members of the defence committee is concerned about peace. Everything Canada has done in defence is designed only to prevent war breaking out. If I may take an extreme view of this defence thinking, it is that expressed by the French people we interviewed, with their idea of force de frappe. When we questioned them about their independent nuclear force as to whether or not it was adding to the dangers, they said no, because it was their insurance that if there is any trouble anywhere in Europe nuclear war would be involved at once and it accordingly followed that this made war absurd. I am not saying that their logic is my logic. It is not. It seems to me that there has been leadership given by the late President Kennedy and Mr. McNamara with respect to the need for balanced response, which perhaps was not quite as clear under the former United States administration. But it was precisely because some Europeans were concerned that the Kennedy administration was soft on making real nuclear war on Russia if necessary—this was the argument made both in France and in Germany—that there has been this proliferation of nuclear arms. I hope ultimately we can get out of this impasse.

[*Translation*]

Mr. Latulippe: With the hon. member's permission, I should like to ask him a supplementary question. Is he not of the opinion that the first people to benefit from the huge amounts spent on national defence are not the Canadian people, nor those who work for defence production, but rather the moneylenders who, with millions, finance military expenditures.

[*Text*]

Mr. Matheson: I agree with something said by my hon. friend for Nanaimo-Cowichan-The Islands, that if we could put the same brains, capital and energy into other activities than the manufacture of war implements we would be immensely further ahead. I think ultimately that is what we are all working for.

Mr. Willoughby: Mr. Chairman, I wish to assure you that originally it was not my intention to take part in this debate. However, in view of some of the points raised in the minister's speech yesterday I think it might be appropriate for me to mention one or two items in this report. My association with the army and the militia for many years has taught me the importance of these departments, but I want to assure you that it does not qualify me as an expert. I appreciate the importance of his department and recognize that world conditions demand that our defence must be maintained at a very high standard. I recognize that world conditions demand that we be also prepared to assist our allies, particularly in the maintenance of

world peace. However, I hope that common sense will prevail in our defence department.

Any effort to effect economy without affecting efficiency is to be commended; I agree with that 100 per cent. On the other hand, we must not be penny wise and pound foolish in this administration. We must ask ourselves what is best for Canada. What can be done to bring about greatest efficiency at least cost? These are my thoughts in the matter, and I believe I was justified yesterday in feeling shocked when I heard it was the intention to close the ammunition depot in Kamloops. The minister inferred in the early part of his speech yesterday that the estimates before the committee had been prepared by the previous administration. I have since had an opportunity to check on this situation and I find the previous administration had never considered the closing of this valuable institution in Canada.

It might not be improper for me to give the committee a brief history of the development of this important station. About 25 years ago, after a complete investigation by the defence department, it was decided that in the interest of Canada ammunition depots should be removed from coastal areas where they were subject to attack and placed at a strategic point of the interior of British Columbia, so as to supply the west coast with the least danger to the source of supply. The result was that the air force, the army and the navy all developed munition storage depots at Kamloops. After the last war, the army and air force depots were gradually closed, and amalgamated with the naval depot. The navy, for its part, spent a lot more money on extending its facilities, and after spending millions of dollars on the project, we now have subterranean storage depots covering a large area—certainly one of the best in Canada, if not the best in the whole country.

Why was Kamloops chosen to be the site of this particular station? It was chosen, of course, because of its advantageous geographical location. Kamloops is not subject to attack in the same way as a station in a coastal area might be. It is situated far enough inland to be relatively safe. Kamloops is a railway centre, a focal point for two transcontinental railway systems, and the hub of an important highways network. It also has a good airport and facilities for seaplanes. Because of its ideal geographical location in a relatively safe area, Kamloops was chosen. The minister said yesterday that the supplies in this depot were to be distributed among other stations. As far as British Columbia is concerned, the only place I can think of where they might go would be Esquimalt. Comox is another possibility, because we understand there is to be a nuclear warhead station there, and there might be provision for this other ammunition, too.

I assure you, Mr. Chairman, I have nothing against Victoria; it is a beautiful place. But Pearl Harbour was also a beautiful place; it was a magnificent place. I do not think it is necessary for me to draw the attention of the committee to what happened at Pearl Harbour. Much as I admire Victoria with respect to the facilities available to the navy, air force and other armed services, I think it must be admitted that, from a defence point of view, Esquimalt is a sitting duck in the event of an attack. I cannot see how we are likely to increase our efficiency if we place this station at Esquimalt and send there the most important part of our whole defence, that is to say, the ammunition necessary to supply our forces. If we do that, I cannot see how we would avoid running the risk of another Pearl Harbour. I certainly hope such a thing will never occur, but the risk is there and I think the committee should take it into consideration.

I do not believe we should be concentrating all our supplies in one basket. We should be considering the possibility of distributing them in other areas in order that one attack might not completely disable us. There is a further possibility that the minister may be considering removing this material to the prairies. To my mind, that would be absurd, an impractical move. Purely from a local point of view, I naturally have an interest in this situation as a representative of Kamloops, but I maintain I am still in favour of economy with efficiency. I do not know whether the step which the minister proposes now to take will constitute a saving. It might not, because the facilities at Esquimalt would have to be increased. Would the new arrangement be efficient? I do not think it would. I cannot see how. This government told us it intended to do a great deal to help relieve unemployment. I hope the minister and his colleagues will give consideration to the fact that this proposal would involve 150 or more employees—their homes, their families, their friends and all the contacts they have made during many years at this depot. I cannot see how this proposal would assist the employment situation.

I plead for economy, with common sense, but I think it important that common sense be exercised in the interests of efficiency and advantage to Canada. I suggest the removal of this depot would not be in the best interest of efficiency, and that it would certainly not be in the best interest of the defence of western Canada. So I must protest against this policy and ask that it be reconsidered. I ask that a thorough study of this question

be undertaken. If this is done I believe the information I have placed before the committee this afternoon will be verified, and the conclusion will be reached that in the interest of national defence the station should not be taken to the coast, where it would be open to attack.

In conclusion, may I say I have had many years of association with the militia. I feel it should be recognized that this branch of our armed services is of great importance as a basis for our active forces in the event of war. It is already difficult to obtain volunteers to maintain these militia services. I hope this difficulty will be borne in mind when consideration is given to any curtailment of expenditure in this field. We should make it more interesting for our young men to join this service. We should not be so economy minded as to curtail expenditure to such an extent that they are discouraged from joining. I hope, therefore, that the minister will reconsider his policy in this respect. I think it is important that the militia be retained. I plead for the encouragement of those who serve in the militia, and I do not wish to see any curtailment of the activities of this body.

Mr. Lloyd: In recent weeks, as a member of the defence committee, I have been exposed to a variety of terms which have been strange to me. I do not intend to employ them in this debate on defence estimates today. It might be wise to avoid the use of the term "posture" on this occasion. I shall not detain the committee by employing the various adjectives used to qualify the word "deterrent"—active, minimum, negative and passive. We have heard much about a force de frappe nationale, forestalling blows, cost effectiveness, and similar mysteries. I have also become familiar with Corporals, Honest Johns, Hound Dogs and Davy Crocketts, in addition to such specialized expressions as I.C.B.M., logistics, interdiction and hard bases.

I apologize, if after all this work in the defence committee, I refrain from using these most informative words which have been added to my vocabulary and try to examine, perhaps in a simpler form, the position in which we find ourselves today.

Only three months remain of the current 1963-64 fiscal period. A review of the defence estimates in December precludes any meaningful revisions of the projected expenditures. Our normal calendar of events has been upset by an April election and a change of government. The current year's estimates reflecting the policies of the previous government will not, therefore, produce the usual sharp criticism of the official opposition.

On the other hand, the minister of defence is now engaged with defence policy considerations preliminary to his submission of the 1964-65 estimates. It is a commitment of the present government to revise Canada's defence policy. It has already taken steps in that direction. We are aware of the urgent need to review and revise our defence policy. It arises from serious problems with our balance of payments—current deficit financing, increasing the already heavy burden of interest charges; the needs of the provinces and municipalities for resources with which effectively to perform their responsibilities; the pressing need to remove the tragedy of unemployment, particularly in areas such as Bell Island in Newfoundland and Cape Breton in Nova Scotia. Steps have been taken in this direction in recent months.

We are grateful to the previous government for having established an oceanographic station in my constituency. Likewise, we appreciate what the present government has done in this direction. Some mention has been made during this debate of developments in Cape Breton in connection with the supply of heavy water. Here again, we must recognize an example of the kind of thing that happens to the economy when you start adjusting defence expenditures within provinces, and other provinces engage actively in promoting economic development within those provinces. As an example, I might cite steel in Quebec and steel in Cape Breton. The problem, therefore, stands as one of varied complexity for the government at federal-provincial and municipal levels.

Apart from these considerations, the fantastic cost of defence hardware in this nuclear age compels drastic steps to remove every item of waste, inefficiency and obsolescence within our military forces. It is vital to our national existence, Mr. Chairman, that we contribute to the deterrents within NATO and NORAD to prevent an all-out nuclear war. Under the umbrella of such deterrents we must make our contribution to the police force services of the United Nations. Economic problems in our domestic affairs cannot be neglected. An effective military contribution in alliances with the western world democracies, our trading friends and neighbours, cannot under any circumstances be avoided. Government measures to combat our economic and social problems cannot be undertaken in isolation from defence policy. Changes in defence measures cannot be accomplished without consideration of the far reaching effects on the economic and social affairs of our nation.

Major changes in the character of defence expenditures will, without doubt, shift economic benefits to some areas and subtract from others. Subtraction of the import dollars to cities, towns and regions by this process will vary from minor adjustments to major hazards to their economic base. Despite this, no government can avoid responsibility for combatting the conditions I have described. No government is worthy of the compliments of Canadians that fails to comprehend the realities of our position, and thus shirk its responsibilities.

To clear the decks for action, we require new tools with which to perform our tasks. We need them to meet the social-economic conditions at home. We need them to perform our contributions to the alliances we make with other nations. We have already undertaken measures to that end. There is the economic council, to provide government with advice on economic matters independent of narrow partisan consideration. In the light of that advice and information, we need the Department of Industry with its areas development agencies organized to encourage or establish a stable economic base either in the servicing or manufacturing fields in cities, towns or regions suffering from chronic unemployment and, in particular, those areas that must withstand, now that we have come to grips with this problem of a new defence policy, the shock of changes in defence expenditures.

We need, and are gratified to have, the all-party defence committee to spread among all members and all parties in this house the harsh realities of our necessary contribution to the common defence of the western democracies against the threat of communism. Without doubt, that committee report should be filed with the minister before the issuance of a white paper on defence policy. This procedure is essential if we expect to achieve an acceptable policy without delay and with a maximum of co-operative effort on the part of all members of this house. We need it, to have less than a minimum of goading and gloating over past policies that disrupt and confuse our national sense of direction.

Without the tools of government I have described, without an all-party defence committee in this house of minority government, lacking that prior organization of this house for the important task, any major change in defence expenditures would be disastrous and only compound our present difficulties. Parliament has seen fit to approve of this direction of preparations and of the necessary measures to provide us with the means of a proper approach to our defence policies. Full use of these measures will certainly be the constant concern of every member of this house. We on this side, who are not members of the cabinet, will be aware of the existence of these measures and will apply them ceaselessly through the party caucus and through other means of consultation, to maintain that awareness of the great urgency which exists when you undertake a major change of defence policy. We will do so with good will, because we know that our government's policy is oriented to do just that, but they also need constant awareness from the constituency level. We will welcome the constructive efforts and criticisms of any member of the opposition, like-minded and concerned with the defence of Canada and the objectives we seek.

It is not my purpose at this time to present final conclusions reached from my work as a member of the defence committee. They include an awareness for Canada to stay out of membership in the nuclear club for the production of thermonuclear strategic weapons; the need to participate in the military control of the air space and the ocean waters of the North American continent. The conclusions I have reached on those and other matters of defence policy should be objectively presented first to the all-party defence committee. I can, however, declare that the studies shared with all my colleagues on the defence committee deepen my awareness of one inescapable fact, namely that our nation must share with its friends and allies the heavy responsibility of deterring the ambitions of the U.S.S.R. to force its ideology throughout the world. In that role we are not fighting only for the technological or economic perfection of our free enterprise economic system, we are fighting for the right to continue our efforts to establish the maximum of social justice for our people, in our nation, in our time. We are fighting to preserve the right of self-determination of individuals and people.

It is our duty, Mr. Chairman, to fully grasp the over-all prospect for the decade ahead of us. If we do, we will agree with that distinguished late president of the United States, John F. Kennedy, who stated:

> We are confronted by the challenge of the century. We have no alternative but to take up the challenge.

Mr. Brewin: Mr. Chairman, I shared with the hon. member for Halifax (Mr. Lloyd) who has just spoken, and other members, the experience of being on the special defence committee and going to Europe. As all members know, that committee has not yet made its report and I will reserve, with the degree of self-restraint that other members of the committee have, my detailed comments on defence policy until that committee has had

a chance to discuss its conclusions and tries to justify its existence by making a worthwhile report to the house.

I hope it is going to be able to achieve that. If good will, hard work and a nonpartisan approach to our task can achieve that, then I think it will in fact be achieved, but of course I do not want to underestimate the difficulty of the task we have to face, and no doubt we shall have disagreements and draw different conclusions from the same facts.

I would, however, like to make a few observations in this debate. First of all, having had the advantage of this trip I would like to join with the minister and the associate minister, and others who have spoken, and tell the committee of the very excellent impression that our forces in Europe—and I think I should include as well those at Colorado Springs—are making upon those with whom they have to work. In my judgment and from what I saw, we have every reason in Canada to be proud of the high morale and efficiency with which our services are doing the tasks assigned to them.

But, Mr. Chairman, having said that I would like to go on to express my very grave sense of disquiet at the tasks which are in fact being assigned to our forces. I want to address, not only to the members of the special committee, but to this committee and the minister, a plea for a radical review of our basic military policy and military doctrine, on which all we do in defence must be based.

In introducing his estimates the minister has announced, as he calls them, a number of housekeeping items. I do not propose to comment on those. We have also been told, and no doubt quite accurately, that a general review of policy is under way. I hope this review will be pursued and the conclusions which emerge from it will be firmly and courageously put into execution. I think we have already seen from the changes already made—and I do not want to call them minor changes because they are important to a lot of people—some of the difficulties that pursue any government in doing its duty, which is to use as efficiently as it can the limited resources it has for the purpose of acquiring the best possible defence and security measures that can be taken, without regard too much to local or political pressures, however necessary or important those pressures may be. I hope the minister will not be in any way deterred from carrying through whatever conclusions this review leads him to.

In my view the military role of Canada has been based on certain fundamental misconceptions, and I do not mean just in the past. I mean those misconceptions are still to some extent with us. On June 18 last the minister appeared before the special defence committee at its initial meeting and gave us a public statement on the basis of Canadian policy. He said:

> At the same time that the free world has an adequate or better capacity in strategic forces, there remains demonstrable deficiencies in its conventional and tactical capacity in Europe.

Again, as recorded at page 15 of the committee proceedings he said:

> The dependence upon nuclear weapons against both strategic and tactical targets has been brought about for two basic reasons:—the marked superiority in Soviet manpower vis-à-vis NATO forces in being, and the knowledge that the Soviets have similar weapons in operation.

I may say that this observation of the minister was repeated by him at other times and by other witnesses as a basis for Canada's continued acceptance of the so-called tactical nuclear role, both for our strike reconnaissance force and for our army division in Europe.

We are told of the supposed deficiency in tactical nuclear weapons available to allied forces. I asked the minister what these deficiencies were and he quite properly, I presume pleaded that the security consideration made it impossible for him to enlarge on what these deficiencies were.

He also referred, and we were referred to it again and again, to the supposedly vastly superior Soviet conventional force as related to the particular role and effort we should make.

Both of these points turn out to be myths, and policies based on myths are apt to be useless, expensive, and indeed dangerous. Why do I say they are myths? Again I want to refer to the speech that was made in New York on November 18 by defence secretary McNamara. What he said then was not new, but he collected together an account of the development of strategic doctrine and a re-assessment of some of the military facts upon which that strategy had been based. I do not wish to go into all he said in detail. I want to confine myself to those references which are essential to the point I am making, and which I think destroy the very basis upon which the minister told the defence committee that our defence policy rests.

Secretary McNamara, after referring to the tremendous superiority of the strategic nuclear power of the United States, proceeded to say:

> In the field of tactical nuclear weapons, the picture is in important respects similar. The U.S. at present has in stockpile or planned for stockpile tens of thousands of nuclear explosives for tactical use on the battlefield, in antisubmarine warfare and against aircraft. They include warheads for artillery, battlefield missiles, demolition munitions, bombs, depth charges, air-to-air missles

and surface-to-air missiles. The consensus is that the U.S. is presently substantially superior in design, diversity and numbers in this class of weapons.

I ask the minister, what becomes of his statement on which he based our policy in Canada—that there was alleged deficiency on our side in tactical nuclear weapons?

Mr. McNamara went on to deal with the other myth, the myth of the so-called massive hordes of Soviet forces in Europe, which requires our dependence on the strategy of the almost immediate capability of tactical nuclear weapons. He pointed out that in fact the some 160 divisions were in fact half that number, that the divisions available were half as large as divisions measured in American terms. He went on to point out that the contingencies which would most likely have to be met were not contingencies of the—and although the hon. member for Halifax has warned us of the danger of using these expressions—dangers of warfare at what are called the lower end of the spectrum, and not in a massive attack to be repelled by the tactical nuclear response, which in itself will assure a holocaust and world destruction.

He added that what we have to deal with, what we have to have a force with mobility and the capability of dealing with, are the troubles at the so-called lower end of the spectrum, the end where relatively minor troubles occur. I suggest that we, in rethinking our policy, have to rid our minds of the myths that have prevailed in the strategic doctrine, and which are no longer the basis of the real facts of the situation.

I want to refer to one other passage in the speech of defence secretary McNamara. He says this:

The fact is that at every level of force, the alliance in general, and the U.S. armed forces in particular, have greater and more effective strength than we are in the habit of thinking we have—and with reasonable continued effort we can have whatever strength we need. I have spoken already of strategic weapons, where the great superiority of the United States is the superiority also of the alliance. In tactical nuclear weapons a parallel superiority exists—and while many of our allies share with us in manning the systems which would use these tactical warheads in the hour of need, it is not unfair to point out that, even more than in the strategic field, the tactical nuclear strength of the alliance is a contribution of the United States. That strength has been increased, on the ground in Europe, by more than 60 per cent in the last two years. Today the thousands of U.S. warheads deployed on the continent for the immediate defence of Europe have a combined explosive strength more than 10,000 times the force of the nuclear weapons used to end the second war.

So I think it is a myth that we have to worry about the need to meet deficiencies in the tactical nuclear field. We belong to an alliance. If we are to have any significance at all in the defence of the world today, it must be as partners in a concerted and dependant effort; but it must be one that gives us a certain freedom to choose that role which makes sense, not to supplement what is already a vast and overwhelming superiority of force; to do those things that are needed, rather than those things that are not needed.

I suggest that nothing could be more foolish than a country like Canada, with relatively limited and small resources, trying to supplement this tremendous mass of power which is deployed in Europe to such an extent that its deterrent effect makes any attempt to use those forces insanity on either side. All the evidence seems to point to the need for conventional, highly mobile troops. One of the things we have learned in our defence committee is that a great many of our planned forces and our forces in being, efficient and able as they may be, cannot be transported to the scene of trouble in time to do any good in the sort of hostility that is likely to break out. We should be hearing about this area and what is needed in it. Our present strike reconnaissance force—and this is something the defence committee will have to consider —seems rapidly to be becoming obsolete. It is highly vulnerable. Unless it were used in a first strike it would probably be destroyed before it could be used at all.

Even in Europe within NATO our real danger is on the fringes, on the flanks, perhaps in Denmark, Norway, Turkey or Greece. There is an urgent need that if some force is to be contributed by Canada to NATO, it should be in the nature of a force that can be moved quickly to where there are trouble spots, to prevent these trouble stops expanding into a full scale war in Europe. I believe that is the sort of thing we should be considering and it is in that sort of field we would make the maximum contribution within the alliance. It surely makes sense to look over the whole field of possible contribution and pick out that which is needed, rather than contribute to that of which there is already a tremendous surplus. We should pick out that field in which Canadian capacity, experience and ability makes it likely that we can make a most important and indeed a very worth-while contribution.

We must learn to relate our defence policies to our international policies. I was at a committee meeting yesterday which was addressed by the Secretary of State for External Affairs. He told us about his desire to enter into discussions with—I think he had already started the process—Scandinavian countries, and with one other unnamed country, to provide standby forces for the United Nations for peacekeeping, for a fire extinguisher sort of role. If we were to concentrate on a highly

mobile, versatile, tri-service force that could be moved to any part of the world quickly, we would be fulfilling that major political objective, which is to help to build up not only the regional alliance of NATO but the forces of law and peace throughout the world as a whole.

How can we do this? We are told we have a force earmarked for this purpose. But what sort of a force is it? I think it would take a minimum of 30 days to get it quickly to where it is likely to be able to be used. By that time the trouble would be over or the fire would be long past extinguishment, and peacekeeping activities would be meaningless. We have to concentrate on doing those things which are required and which coincide with the policies we adopt in international affairs. I suggest it is possible for us to do that. We cannot do it overnight, but we must look very, very closely at it. At the present time it seems to me—I was going to say "we were prepared" but in the interest of accuracy I should say we are half prepared, and I adapt the words of a famous United States general, to fight the wrong war, at the wrong place and with the wrong weapons as far as Canada is concerned.

I think it was the hon. member for Vancouver East who complained earlier in this debate that we had never had a defence policy in Canada. Considerable objection was taken to that remark by a good many people, including the former minister of national defence. He said, "Of course we had a policy", and he said he had announced it. I think what was meant was that we had never had a made in Canada defence policy. We have been told this by witnesses who appeared before our committee. We were perfectly agreeable and content at one stage of our history to be part of the British commonwealth of nations, or the British empire, and to fit in with its defence plans. That is the role we were called upon to play. Of late we have been part of an alliance in which the United States of America has been the major and predominant force. I suggest that our policy has been to adopt, almost uncritically, the strategic doctrines and theories current within that alliance. It seems to me that Canada has made and is making a first-rate contribution to the actual execution of military policy within the alliance, and it is high time we started to make a contribution in the thinking-out of the military policy within the alliance.

I believe that if Canadians are able, and undoubtedly they are, to make a major contribution in the execution of policy—an important contribution—it is about time they started making a Canadian independent policy, thought out in Canada, dealing with the whole strategy of the alliance and our part in the alliance. This is what I mean when I say we have not had a Canadian defence doctrine or policy, and we urgently need it. I do not blame the minister for not announcing it at this time. I am sure I would have criticized the minister, as would other hon. members, if he had attempted to give us at this stage a detailed outline of defence policy. But I do believe that growing interest in this country in defence—evidenced I would suggest, if not by the attendance in this debate, by the anxiety of hon. members who speak in this debate—and the fact that at long last we have a defence committee which has been studying these matters, and the review the minister is making, all lead to the position where we are going to develop a policy made in Canada which will involve a role for Canada, suited to Canada, within the alliance. I have no doubt whatever that this is necessary if we are to talk meaningfully at all about defence or security. I believe we are moving toward that end. I would like to finish as I began, Mr. Chairman, by saying to the minister that he should not be deterred from taking a radical and firm view about what is required to be done in this field, in Canada's interest.

Mr. Nielsen: Mr. Chairman, the remarks I have to make on the minister's estimates will not be at all lengthy, but I do want to express my views on defence policy since the minister, in introducing his estimates, saw fit not to do so. Perhaps my views, together with those of other hon. members, as far as defence policy is concerned might assist him when he is preparing his white paper for whenever that might be tabled in the house.

I think there is certainly a vagueness about the defence policy, or lack of policy, which exists in Canada. I believe we should be defining the issues before speaking about what specific forces are required for Canadian defence and how these forces are to be employed. I was very impressed, in the short time I was listening to the evidence given before the committee, and sitting on the committee itself—I refer to the special committee on defence—by the evidence of several witnesses, one of whom I recall saying that Canada had no real defence policy and that the tendency was to slavishly follow —I believe these were his words—the policies advocated and set down in the United States. He separated the defence objective by saying there should be a truly national defence policy and, of course, on the other hand we must also shape our policy to discharge our political commitments with regard to such

alliances as the North Atlantic Treaty Organization. Then, of course, there is the third field that our policies should be directed to, and that is the United Nations and the requirements of that organization with regard to international peacekeeping operations.

From the evidence I have studied in the special committee on defence it seems that what we should be striving to do with respect to the first aspect of our policy, namely our truly national policy, is to provide security for our national boundaries and the seas surrounding them, as well as the air space above our national territories. I think this objective must be established before we can determine what force is necessary to bring about that security of our national boundaries, our waters and air space. From there we can proceed to decide how that force is going to be used; but as politicians at the policy level it seems that our job is to establish the national objective in the first place. Once that has been established the requirements can then be determined in a logical fashion, and then the experts in the defence of our country can use that force in order to provide that security in the best military fashion possible.

I have referred to the second aspect of our national defence policy as our political commitments. I feel that our commitments to NATO are indeed political. What we are doing in supplying forces to NATO is making a contribution to maintain Canadian prestige and having a voice in international affairs. Because as the previous speaker pointed out, a nation of our limited means cannot make any substantial contribution which is going to have any great effect in any international conflict. I believe in that school of thought that concludes that there is no possibility of a limited nuclear war, and that any nuclear holocaust is going to be all out and unlimited. Therefore, the remarks of the hon. member who preceded me are very much in point when it comes to determining the precise extent of Canada's contribution to the international effort through organizations such as NATO.

With regard to the United Nations and our obligations to that organization, as far back as 1945 the right hon. Leader of the Opposition suggested that Canada could effectively contribute to a United Nations police force; and after the passage of almost 20 years it seems perhaps that we should be directing more attention toward promoting the establishment of a permanent United Nations police force to assist in the keeping of world peace.

With those remarks on the over-all defence policies of the government, which I take it will be established sooner or later, I will leave that subject. Certainly we anticipate that the minister will bring down his white paper in short order. The usual procedure as I have been accustomed to it is that before or at the time the minister's estimates are brought before the house we have either studied or are given the opportunity to study the white paper before engaging in debate on it.

The remarks now following will be devoted to the specific announcement the minister made last night in committee with regard to certain housekeeping arrangements, as he styled them, in order to save the national treasury money so far as defence is concerned. The bulk of my remarks are directed toward the air force, because I am more familiar in that area, having spent ten years in that service. I know something of its wartime operations as well as its peacetime operations.

The first observation I have to make concerns the decision of the minister with regard to the auxiliary squadrons. I feel quite strongly that the defence of Canada is going to be primarily an air defence; that any attack Canada would experience will be an attack from the air; that any move by the minister to reduce or diminish the effectiveness of the Royal Canadian Air Force is a move in the opposite direction to that which we are taking. I feel that the transport role of the air force should be enlarged so that it can provide that mobility which so many members have spoken of in these estimates thus far; so that it can provide mobility for all our forces in meeting any threat to our security, whether it comes from the air or from the ground.

The transport arm of the air force has been enlarged in the last few years, but in my view it is far from reaching that stage which provides the degree of mobility which I think essential in order to ensure the standard of security to our national boundaries for which we should be striving. Therefore, I believe the minister's decision with respect to the auxiliary squadrons is wrong. The cut is quite a substantial one. The personnel is cut from 2,200 to 860. It is the intention to retain in the reserve only six auxiliary flying squadrons and their associated wing headquarters, the auxiliary wing squadrons at Vancouver, Calgary, Saskatoon and Hamilton being disbanded. I take the implication from the minister's remarks in *Hansard* that the reason for this is because these locations at Vancouver, Calgary, Saskatoon and Hamilton do not have other air force services on the units, that it is uneconomic to retain them.

However, I suggest that it is foolhardy to disband them. Not only must Canada's air

force be in a position to react immediately to any threat which may come to our national boundaries and the air spaces above them, but it seems to me it is vital for Canadian defence to maintain an effectively trained air force reserve. If we start slowly eroding the foundations of our auxiliary forces in Canada, particularly the air force, we are going to disband completely the effective trained force which would, I feel, make a substantial contribution to any defence effort that the air force might be called upon to make in an emergency.

I believe that the minister's decision to disregard the possibility of jet training at Penhold—although this decision may not have been the sole responsibility of the minister—is wrong. I think the minister will agree that the training facilities in the air force, particularly the quality of personnel performing those training functions, are top line. I do not think that anywhere in the world would be found instructors, officers and men more dedicated to their task. But I think the morale of these forces is deteriorating. One of the reasons, judging from my conversations with air force personnel, is that these people do not know what is happening. They do not know whether they are going to be called upon to continue performing a training role for staffing a nuclear strike force in Europe or for performing a transport role. They are rather vague as to the direction they will be taking in the future.

May I call it five o'clock, Mr. Chairman?

The Chairman: Order. 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 pursuant to section 3 of standing order 15.

Progress reported.

QUEBEC SAVINGS BANKS ACT

AMENDMENTS RESPECTING QUALIFICATIONS OF DIRECTORS

Mr. Jean-Eudes Dube (Restigouche-Madawaska) moved the third reading of Bill No. S-46, to amend the Quebec Savings Banks Act.

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

INDIAN ACT

AMENDMENT RESPECTING POSSESSION AND CONSUMPTION OF INTOXICANTS

Mr. T. S. Barnett (Comox-Alberni) moved the second reading of Bill No. C-34, to amend the Indian Act (liquor rights).

He said: It gives me a great deal of pleasure to have this opportunity at long last to move second reading of this bill which has been on the order paper, now, for some considerable time. The purpose of this bill is to remove one of the existing restrictions on the full citizenship rights of the native Indian peoples of Canada.

Mr. Clancy: Explain.

Mr. Barnett: I am often thankful that the attention of the peoples of the world is not focused upon the situation which exists here in Canada with respect to our native Indians as it is upon the southern states of the United States or on South Africa. It is obvious to me—

Mr. Clancy: On a point of order.

Mr. Deputy Speaker: Does the hon. member for Yorkton wish to rise on a point of order?

Mr. Clancy: Yes, I do. I have listened to enough nonsense today. This is a provincial matter and the hon. member knows it is a provincial matter. Let him fight it out in his provincial riding.

Mr. Barnett: I would be glad if this were a provincial matter, but unless something has happened of which I am not aware there is still on the statute books of Canada an act known as the Indian Act. As long as it remains there, I believe the subject matter of my bill is very much of concern to members of this house.

This measure, as I need hardly point out, is one which proposes an amendment to the Indian Act. It deals with a minor matter, in a relative sense. Nevertheless, I think it is a subject which calls for action and I do not think much difference of opinion could really arise among members of this house, in this day and age, as to its merits. If hon. members will look at the explanatory notes set out with the bill they will see that this measure seeks to carry out a recommendation which was made to both houses of parliament by a joint committee on Indian affairs presented on July 8, 1961. I think it will be agreed that scarcely any of the recommendations of that committee have yet been implemented.

In relation to some of the other recommendations which have to do with health, welfare, education and the development of human resources, the measure before us today sets out to deal with a topic of minor importance, perhaps; but, in my view, progress along the lines I suggest would represent a further step in enabling our native Indians to enjoy the full rights of Canadian citizenship. The purpose, here, is to make provision for Indian people to enjoy, within a province, the same rights as any other Canadian citizens in respect to liquor laws which are

drafted from time to time and put into effect by provincial legislatures. In that respect, this is a provincial matter.

Mr. Clancy: On a point of order.

Mr. Deputy Speaker: Is the hon. member for Yorkton rising on a question of privilege?

Mr. Clancy: Privilege. This is a provincial privilege. He knows it, as well as I do, under section 92 of the act. All right, if he wants to change the B.N.A. Act, change it now.

Mr. Barnett: I am not sure whether that was a point of order or a question. I might say, in answer to the hon. member, that the purpose of my bill is, really, to place this matter where it belongs, that is, entirely within the jurisdiction of the provinces.

Mr. Clancy: Mr. Speaker, the hon. member knows—

Mr. Deputy Speaker: Order. The hon. member for Comox-Alberni has the floor and perhaps he might be allowed to continue without interruption.

Mr. Barnett: As I was saying, this would place the responsibility for the use made of alcoholic beverages by the Indian people where it properly belongs, namely in the hands of the provinces. It would make Indians entirely subject to the ordinary laws of the province in that respect, except that it would substantially preserve the rights of the Indian people to the use of the local option idea as far as the consumption or possession of alcoholic beverages within their reserves is concerned. The bill is completely in line with the recommendations of the committee. It is something which, so far as my knowledge of the situation goes as a result of discussions with the Indian people, meets with their approval and desires. I think perhaps that the actions that are being taken by the Indians in regard to holding plebescites on their own reserves, show that they are interested and concerned in this matter. I think the sooner we get on with the job of implementing the recommendations of this joint committee, not only in this connection but in a number of others, the better it will be.

I was not a member of the house at the time this report was introduced. I do know that the presentation of this report and its acceptance by the house was hailed with a great deal of delight by many Indian people, certainly in my area. They assumed that the approval of the recommendations in the report practically made them law. I felt constrained, as a matter of fact, on several occasions to point out to them that the mere adoption of the committee's recommendations in the house did not mean that the committee's proposals had become the law of the land. I tried to give them some warning, and events certainly have proven me to be right, that it might be some time before the changes which they hailed would become law.

Certainly, I suppose one would have to admit that political events since 1961 might have had something to do with the delay. I suggest, however, that the passage of this bill at this time would constitute a small crumb of acceptance of the committee's report and would, in some respects, be a vindication of the Indian people in this parliament of Canada. I urge, therefore, Mr. Speaker, the speedy adoption of second reading of this bill.

Mr. Clancy: I should like to suggest that this bill be referred to the committee on citizenship, immigration and Indian affairs.

An hon. Member: And provincial rights, too?

Mr. Clancy: It is my right to stand up here and ask for directions.

Mr. Deputy Speaker: Is the house ready for the question?

Mr. Ian Watson (Chateauguay-Huntingdon-Laprairie): The hon. member for Comox-Alberni (Mr. Barnett) has proposed in Bill No. C-34 that sections 93 through to 96A of the Indian Act be amended, and he has proposed that sections 93 and 94 of the present Indian Act be amended to make them applicable only to persons on reserves. The present Indian Act makes it illegal for any Indian in Canada, even off a reserve, to have liquor in his possession or to be intoxicated. The act makes it illegal for a person to give or sell liquor to an Indian off a reserve. I think everyone in this house is in accord that this is a pure anachronism. I think it is one of the many statutes we have on our law books that are neither enforced nor enforceable.

In addition, in Bill No. C-34, the hon. member for Comox-Alberni seeks to repeal sections 95, 96 and 96A of the original Indian Act and replace them with a new section 94 which removes the necessity for the lieutenant governor in council of a province, through the governor in council, proclaiming that subparagraph (a) of section 93, which relates to selling liquor to Indians off a reserve and paragraph (a) of section 94, which relates to an Indian having liquor in his possession off a reserve, so that they are no longer in force. I think all members will agree, that this is a welcome change. Moreover, this amended section 94 proposed in Bill No. C-34, retains the right of the governor in council to make regulations respecting votes and referendums

and defining a reserve, as outlined in paragraph 4 of the present section 96A, and also maintains the requirements outlined in section 96A, paragraphs 3 and 5, conditioning the proclamation of the governor in council on a resolution of a band council and upon a referendum of the band in question.

Bill C-34 also eliminates the necessity for a request by the council to the attorney general of the province in which the reserve is situated. This, too, is a needed change and I have no quarrel with the amendments offered by the hon. member for Comox-Alberni so far as they go. I believe the bill is a step forward. I submit, however, Mr. Speaker, that the bill does not go far enough. It is a step forward but it retains, and I do not think this was the intention of the hon. member for Comox-Alberni, discrimination, in that members of Indian bands who live on a reserve will continue to be in a position where it is illegal for them to have liquor in their possession on the reserve.

Mr. Clancy: Mr. Speaker, may I interrupt? I should like an answer to the question which I asked ten minutes ago. It is your duty to advise me if I am out of order.

Mr. Deputy Speaker: Well, I might say that at this point the hon. member is out of order because—

Mr. Clancy: Well, I come back to my original question.

Mr. Deputy Speaker: Order. May I suggest to the hon. member that he resume his seat. The hon. member for Chateauguay-Huntingdon-Laprairie has the floor.

Mr. Watson (Chateauguay-Huntingdon-Laprairie): In order for me to illustrate what I mean by saying that the discriminatory effect would remain in our laws governing the use of liquor by Indians, even if Bill No. C-34 were adopted, I think I should run through the present circumstances of the Canadian Indian. I am going to start with the Indians in my own riding. I have more Indians in my riding than there are in the whole of the Northwest Territories. The Caughnawaga Indians and the St. Regis Indians have been located on reserves since 1680. I think I am correct in saying that the Indian affairs department was originally set up in 1774 for the Indians who were living on those two reserves. Initially, it was under civil control and in 1816 it came under military control, and then in 1830 it went back under civilian control.

Eventually the present Indian affairs department evolved out of this original Indian department that was created for the Indians in my constituency. Now, the Indians living on the two reserves of my constituency are not faced with the problems that confront many of the bands who live on reserves in the northern areas of our provinces. I think the average wage of Indians living on the Caughnawaga and St. Regis reserves is probably higher than that of any other group of workers in the province of Quebec. The reason for this, of course, is that these men are experts in high steel work and earn a rate of pay that corresponds to the very dangerous work at which they are so expert.

Nevertheless, Mr. Speaker, these Indians who are living in Caughnawaga and St. Regis have a number of problems. These problems exist, I think, perhaps only because of the lack of good will between the Indian affairs department and the Indians living on these reserves. There are no economic reasons for serious problems on the two reserves I have mentioned, yet problems exist, misunderstandings exist and mistrust exists to the extent that during the last federal election only eight people out of over 3,000 electors voted. This, I submit, is a clear indication of the mistrust that has built up on perhaps the two most prosperous reserves in Canada.

Now, if this problem exists in the two most prosperous reserves in the country, surely the situation in those areas that are just emerging from a hunting and fishing economy must be worse. As a matter of fact, indications are that the problems are far more serious for the people in the northern tier of our provinces from Quebec to British Columbia where most of our Indian population resides.

The Caughnawaga situation holds out hope for the rest of the Indians in the country. The Caughnawaga people and the St. Regis people have adapted themselves to our economic system. They have found areas of work in which they can become experts second to none. As a result, and because of a long history of extremely well known representatives from their own bands, and because of their proximity to Montreal and Cornwall, these Indians have developed a very real pride of race, a pride in their achievements and a pride in their Indian way of life. These are some of the reasons that they have been so successful in finding a part to play in our mid-twentieth century economy.

The Indian living on the reserves further east in Quebec and in New Brunswick tend to be in somewhat similar positions to those Indians who are presently emerging from the hunting-fishing type of life along the northern tier of all the provinces. This emergence has become very rapid since the war, and in their new life they are confronted

daily with problems of integrating into mining communities and acquiring skills in order to take part in the many industries opening in our northland.

This evolution that has taken place in the last few years has brought our Indian population to a point where, unless we rid ourselves of the archaic Indian Act and—though I do not like to use the word but it is justified in this instance—the archaic administration of Indian affairs, unless we rid ourselves of this antique apparatus then very quickly we will find that Canada will be in a most embarrassing position, although I do not consider this the reason that we should do something about the present circumstances of the Canadian Indian.

As conscientious Canadians we must recognize that our Indian brothers have rights to the same type of livelihood, standard of living, jobs and educational opportunities that all other Canadians have. The Indian affairs department has made giant strides in the last few years towards making educational facilities available to our younger Indian population, but this has resulted in accentuating the problem which exists in the northern part of our provinces of adapting our Indian people to the social standards of the areas in our northland where their future lies.

I can give an example of this. In Chibougamou the local Cree population is emerging very rapidly from the hunting and fishing economy, and yet with few exceptions the local corporations have failed to take on Indian personnel. This is not the fault of the local corporations in Chibougamou, because four years ago an association was set up there called the northern citizens guidance association, composed of members and heads of practically all the mining companies in the area. For four years these people have worked towards meshing the local Cree population with the local mining population. They have achieved some degree of success, but that success has not been the result of any help from the Indian affairs department.

As a matter of fact, they have been unable to make progress in the last two years with efforts to acquire housing for these Crees who are moving in from the Mistassini reserve into the Chibougamou and Chapleau areas. They have been unable to move the Indian affairs department in the direction of supporting the Indians in obtaining national housing loans for the erection of individual homes. The national housing people have indicated they are quite willing to listen to any proposals that may be brought forward. It has been two years now since this proposition was brought to the attention of the Indian affairs department and the national housing people, but so far not a house has been started. This is just an example of the thinking that has been behind the actions of the department over the past few years.

Mr. Speaker, I am confident that a fresh wind is now blowing through the department. The Minister of Citizenship and Immigration has an extremely broad and open mind on the subject, and there have been some changes made in the department which augur extremely well for the future. In fact I am confident the necessary changes will be made in the administration of the department as well as in the act itself. But at the moment, although changes are absolutely necessary in the act and in these archaic regulations, which we are discussing—

The Acting Speaker (Mr. Batten): Order. I am sorry to interrupt the hon. member but I must advise him that his time has expired.

Mr. Watson (Chateauguay-Huntingdon-Laprairie): I wonder, could I have the permission of all hon. members to continue.

Some hon. Members: Agreed.

Mr. Watson (Chateauguay-Huntingdon-Laprairie): I want to outline my three main objections to Bill C-34, which I have not reached.

Mr. Howard: Mr. Speaker, normally no one would disagree, but the hon. member has spent his entire time talking about everything else but the bill, and it would be unfair to the rest of the hon. members who wish to speak.

Mr. Watson (Chateauguay-Huntingdon-Laprairie): I understood I had started at 5.20, and I was watching the clock and thought I had until 5.40.

The Acting Speaker (Mr. Batten): Does the house give unanimous consent for the hon. member to continue his remarks?

Some hon. Members: Agreed.

Mr. Watson (Chateauguay-Huntingdon-Laprairie): Bill C-34, although considerably more flexible than sections 93 to 96 of the Indian Act, is considerably less flexible than what is needed in 1963. I think we are all prepared to admit that the abuse of liquor increases at a rate proportional to the number of restrictions placed upon its use. This was amply demonstrated during the days of American prohibition, and this truism is no less applicable to our Canadian Indians. There is no question that the Indian Act regulations governing liquor must be amended, as must many other sections of the Indian Act to keep abreast of the rapidly changing circumstances of the Canadian Indian.

I am hopeful, as I said earlier, that the present government will decide in the near future to alter the existing liquor regulations applicable to Indians in a manner that will allow Indians throughout Canada to be subject only to the liquor regulations of the province within which their reserve is situated. In order that the transition from stringent liquor regulations to the normal existing provincial regulations should not result in excesses in northern areas of our provinces where liquor regulations have to date been rigorously enforced, I think the minister should be given discretion to maintain certain of the existing regulations in specified reserves, only with the approval of the local band council or in reserves where he was requested to do so by the local band council.

I would submit this is the type of flexibility that is necessary and which is not afforded by Bill No. C-34. Bill No. C-34 would retain the anachronisms that I mentioned earlier. In Caughnawaga, which is a suburb of Montreal, an Indian would still be breaking the law if he invited me into his house and served me a drink.

Mr. Barnett: Mr. Speaker, may I ask the hon. member a question. Has the Caughnawaga band not conducted a plebiscite?

Mr. Watson (Chateauguay-Huntingdon-Laprairie): They have not. This is the result of the fund of mistrust that has been built up in Caughnawaga over many years through the lack of a proper approach to Indian affairs. The paternalism that has characterised our Indian affairs department ever since it was initiated has sown the seeds of the very situation that exists. The Indians in Caughnawaga are against voting on any question; it has reached that point. I think it will improve but this is really the reason they have not voted in a plebiscite in favour of liquor, because at the moment they are against voting in general.

I would submit that any regulation which reaffirms the theory behind the Indian Act liquor regulations, which theory really says that the Canadian Indian is not equal to his fellow Canadian, that he does not possess the qualities of self-control and self-regulation which the remainder of the population possesses, is, I am sure everyone in this house will agree, a regulation based on a theory which is without foundation and has encouraged, as it would in any group of people, the very excesses it was designed to curb.

The third major objection to Bill No. C-34 is that it is a piecemeal approach to remedying the anachronisms of the Indian Act and is not what is needed today. We need a general overhaul of both the Indian Act and, as I said earlier, its administration, and I am confident that this general overhaul will be made soon.

Mr. Robert Temple (Hastings South): Mr. Speaker, in speaking to this bill I wish to say that I think its intent is very good. In the explanatory notes it says the intention is that the same rights extended to non-Indian citizens of the various provinces shall be applicable to Indians. I think it is quite fit and proper that Indians should be allowed to have liquor on the reserve, and by "liquor" I mean any form of intoxicant. But if under this bill, as I read it, we allow them these rights, then of course they come within sections of the various acts of the provinces. I seriously question whether we are doing any great service to the Indians of, let us say, the province of Ontario, from which I come, by putting them under the liquor control act. This act is a pretty tough piece of legislation. In the liquor control act practically all the presumptions are against the individual. Nowhere else in our Criminal Code, with the exception of certain offences such as the possession of stolen goods, do we find this presumption of guilt if a prima facie case is shown against the individual.

Mr. Barnett: Mr. Speaker, would the hon. member permit me to ask him a question?

Mr. Temple: Yes.

Mr. Barnett: Is the hon. member trying to suggest that the Indians who reside in the province of Ontario do not come under the provisions of the Ontario liquor control act as well as the provisions of the Indian Act?

Mr. Temple: They only come under the provisions of the liquor control act while they are off the reservation. While they are on the reservation they come under the provisions of the Indian Act.

Mr. Barnett: If that is true, this bill would not alter that situation.

Mr. Temple: To this extent it will, and I was coming to this point. I think I can show that the bill would alter this situation to some extent. I should like to deal further with the presumptions under the liquor control act which apply to the Indian on the reserve as well as to the Indian off the reserve. If you have a bottle and it bears a label saying "Dow ale", as long as a police officer finds you with such a bottle, even an empty bottle or one with very little in it, because of the label on the outside the presumption is that you have a bottle of beer. Then the accused person must rebut this and prove that it was not a bottle of beer.

What is even more serious, I submit, with regard to the liquor control act—and this is

something to which Indians on the reserve would be subject and I think it is a disgraceful thing—is the practice in Ontario of having a blanket search warrant. If someone is suspected of being a criminal, under the Criminal Code a police officer or officers must go to the appropriate justice of the peace and obtain a search warrant. But this is not the case under the liquor control act. If any police officer has what he thinks is a reasonable suspicion that liquor of any kind is being held or kept illegally in any residence, officers of the provincial police force of Ontario can go to that home, without having to go to a justice, and can demand entry under this blanket search warrant.

We pride ourselves, and rightly so, on our criminal law and the fact that the individual is innocent until he is proven guilty beyond a reasonable doubt. Under our criminal law there is no question about this, and it is fit, right and proper that it should be so. But we do not do this under the liquor control act. All the presumptions are there; this blanket search warrant is there. The idea of this bill is excellent, but by its implementation we would be further extending what I consider to be a grave abuse. Another question I have in connection with this bill concerns the provisions for voting. It is good that a vote should be taken on any reserve. But what is it to be? Will one vote of more than 50 per cent carry it; or does it require 60 per cent, as is the case in the province of Ontario? As I have already stated, the presumptions under the liquor control act makes it very, very difficult for the individual. The previous speaker stated, and I think correctly, that intoxication increases in proportion to the number of restrictions. It flashed through my mind, of course, that it also increases in proportion to the amount of liquor consumed.

In the constituency of Hastings South, which I have the honour to represent, there is a very ancient and proud band of Mohawks on the Tyendinaga Indian reserve. They settled there many years ago and they have produced some outstanding citizens of Canada. They have produced doctors and engineers, and as a matter of fact one of the medical doctors from that reserve founded the Indian order of foresters and was exceptionally well known in North America.

This concludes my few remarks. The reason I rose to my feet stems from the dislike I have for the provisions of the liquor control act. I think it is absolutely ridiculous that we go along with provisions of an act such as this, which we would not go along with so far as criminal offences are concerned.

Mr. D. W. Groos (Victoria, B.C.): Mr. Speaker, somehow or other this bill has only recently come to my attention. I think I understand the details of it. The hon. member for Comox-Alberni (Mr. Barnett) and I are not exactly in adjoining ridings but there are many similarities between the two.

[Mr. Temple.]

Mr. Byrne: Blood brothers.

Mr. Groos: Blood brothers of a sort. There is a great deal in this act which to my mind is commendable. There are a number of Indians both in my riding and the adjoining riding. I have a great number of Indian friends. As some hon. members may know, I served in the service of this country with a number of Indians whom I got to know very well. There is little indication in my opinion that, given the chance, the Indians cannot handle their own affairs just as well as anybody else. It seems to me peculiar that if we can accept the fact that Indians as individuals are no different from any individual in other groups, why is it that we cannot accept the idea that Indians as a group are no different from other groups on the matter of liquor? If there is a difference then I think we have only ourselves to blame in that we have in the past taken patronizing attitudes towards them.

Although one point which I like about the bill is that it is a step in the direction of sweeping away these anachronisms, I agree with the opinions expressed by a couple of previous speakers that it does not go far enough. It seems odd to me that we lay so much emphasis on this aspect of liquor. I think more attention should be paid to the other problems Indians have, such as problems of education, employment and housing, which I think are every bit as important, if not more so, as this matter of liquor.

There are some features of the bill which I do not quite understand. I see in the explanatory notes there is a note which says, if I may be forgiven for reading it at length:

> The joint committee of the Senate and the House of Commons on Indian affairs, in its second and final report presented on the 8th July, 1961, under paragraph (b) of heading VII, recommended as follows:
>
> "Liquor
>
> (b) In view of the fact that the possession and consumption of intoxicants off reserves by Indians is dependant on a request by the province, your committee recommends that all existing liquor restrictions in the Indian Act be deleted; and that the same rights extended to non-Indian citizens of the various provinces be applicable to Indians"—

—and this is the important part—

> "—except that the right of possession and consumption on the reserve be granted only after the approval by a majority vote of the band".

This matter of the majority vote brings to my mind the question whether this is to be a simple majority, in which case I do not think it would solve the problem, or—

Mr. Barnett: I wonder if the hon. member is aware of the fact that under the regulations as presently drafted by the governor in council the provision is for a simple majority vote? That is the actual procedure which is currently being followed with respect to votes being held on a great many reserves in British Columbia.

Mr. Groos: Then this is one of the things to which I object. I do not think a simple majority vote would solve very much on a reservation in a matter of this kind. The problems which would be introduced by a very close narrow vote would outweigh some of the advantages it is hoped to gain from the bill.

I should like to repeat the point made by one of the previous speakers that the members of this parliament will be able to assist the government and that in the near future the government will decide to bring in a more comprehensive bill covering the liquor regulations as far as they apply to Indians; and that at that time they will sweep away all restrictions completely as far as liquor and Indians are concerned.

Mr. Frank Howard (Skeena): Mr. Speaker, just a word or two before my hon. friend talks the bill out. What this bill seeks to do, Mr. Speaker—and I am sure all three members who have spoken so far will be very appreciative of it—is to undo the damage which the previous Liberal government did when it enacted the present sections in the Indian Act with regard to liquor.

Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice): Mr. Speaker, in rising to speak on this subject of Indian affairs perhaps, as a member from a metropolitan riding, I owe to my hon. friends in the house an explanation of my direct interest in Indians. Perhaps I should explain that in representing a riding which covers much of the downtown core area of Toronto I estimate that there are between 500 and 1,000 North American Indians resident within my constituency. The agency under the united appeal in metropolitan Toronto which deals with this question is principally the central neighbourhood house, which is a settlement house covering both the area represented by my hon. friend for St. Paul's (Mr. Wahn) and myself. That house has devoted itself, through Miss Sutcliffe of the central neighbourhood house, to trying to assist North American Indians in the constituency who are suffering particularly from a very low standard of living. Central neighbourhood house has calculated that there are approximately 1,000 Indians within the ambit of its particular area.

It has become very evident to me from listening to reports and from my own observations concerning the conditions of North American Indians in my constituency, that any efforts which may take place in downtown Toronto with regard to these Indians are essentially efforts merely to right a wrong already conferred upon them, to try and correct a situation which should not have been permitted to occur in the first place. It seems to me that in our discussion of Indian affairs in this house one should be concerning oneself about trying to establish conditions in Indian reserves—I think particularly of the reserves from which so many of my constituents have come—whereby these people can be trained and enabled to integrate into our modern industrial civilization. One of the reasons why so many North American Indians in my constituency have been suffering from a low economic standard is because they have inadequate training. In some cases they are unfamiliar with some of the things which to city bred people may seem the most elementary practices of our lives. They are unaccustomed to dealing in a supermarket—

The Acting Speaker (Mr. Batten): Order. It being six o'clock I must advise the house that the hour for private members' business has expired. The house will now revert to that business interrupted at five o'clock.

SUPPLY

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

DEPARTMENT OF NATIONAL DEFENCE

1. Departmental administration including authority, notwithstanding section 30 of the Financial Administration Act, and subject to allotment by the treasury board, for total commitments of $2,529,570,600 for the purposes of votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50, 55, 60 and 65 of this department regardless of the year in which such commitments will come in course of payment (of which it is estimated that $978,136,600 will come due for payment in future years) and authority to make recoverable advances under any of the said votes in respect of assistance rendered to the United Nations, any party of the North Atlantic Treaty Organization or any provincial or municipal government, $3,432,000.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 7 p.m.

Mr. Nielsen: At five o'clock, when we proceeded to the consideration of public bills, I was speaking about the cut-backs proposed by the minister in air force training and I

was making particular reference to the decision of the government in reference to the jet training program at Penhold.

There must be confusion in the government's policy here, particularly with regard to the course being followed by the Department of Transport and by the Department of National Defence in connection with Penhold. As I was saying before the committee rose, I feel it is essential to the defence of this country that we should maintain a healthy and viable training program and a high standard of training for the R.C.A.F. I do not think we can do this if we close down our training establishment and training programs. I have suggested to the Minister of Transport that there is no good technical reason why Penhold could not continue to be used as a jet training base. I suggested to him, and I am sure he has discussed this with the Minister of National Defence, that it would be possible to re-route the three converging radio ranges so as to allow an area of 20 miles around this base in order to permit the training program to continue in this area. I am convinced it is technically possible, if the government is prepared to go ahead with this scheme.

There is no trick about the installation of radio ranges and other such facilities to aid navigation in the interests of commercial flying in this country so as to enable Penhold to continue to operate as a jet training base. Re-routing of this type has been carried out in many areas in Canada where there have been obstructions, whether by mountainous country, by the training of air force personnel or by other conditions. There are three converging radio ranges in the Penhold area and each of these could be re-directed so as to re-route commercial traffic. This would ensure the safety of the commercial traffic and, at the same time, allow the air force to carry out the role which I think it should play in the defence of Canada.

I believe the Minister of Transport said a comparison could not properly be made between the situation at Penhold and the situation at Portage la Prairie. I fail to agree. Though the same circumstances do not exist today, there was a time when Portage did lie within a ten-mile wide radio range of a frequently used air corridor, but the radio ranges were directed so as to allow jet training to continue at Portage. While I am on the subject of Portage I think, with due respect to that particular training base, that the minister might find it in his heart, having achieved all these monetary savings as a result of the cuts he has made in defence expenditures, to spare enough money to supply a little paint for the buildings there, and perhaps to supply accommodation for the painting of aircraft at the base.

I wonder, sometimes, to what extent we realize the complexity of the machinery required to establish and operate a single air force air training base. To me, it is remarkable that the officers and men concerned with the operation of an air training establishment can accomplish their objective with the limited means which, in the recent past, have been made available to them. I should like to make some comments, now, with regard to morale in connection with air training. The air force personnel to whom I have spoken—and it might interest the minister to know I have spoken to air force personnel from one end of the country to the other in recent months—are very unsettled, indeed. I would not say their morale is at a new low but, certainly, it has been affected by the lack of ability on the part of the government to come out with a clearcut policy with regard to training. For instance, short service commission officers do not know whether their commissions are going to be renewed. They do not know because there has been no declaration of policy by the government to indicate where the government is heading with its air force program. I have heard airmen and n.c.o.'s in the air force discuss this matter. They have done so without knowing who I was, and I have heard them say among themselves: Where are we going to go in civvy street now, in view of all these rumours about cuts? Some have been discussing the possibility of going into the commercial air transport field.

I can assure the minister, as I am sure he is aware, of the extremely high calibre generally of the individuals in the air force training program. The engineers, airmen and n.c.o.'s who maintain the serviceability of airplanes used in the over-all air force training program are of the highest calibre that can be found anywhere, and it is a shame to see this deterioration in morale. I think that the minister, through his officials and those responsible in the air force commands, can reassure the officers, n.c.o.'s and men in the air force that there is no need for them to think about seeking alternative employment. This is what they are thinking at the present moment. There is a very distinct deterioration in morale. I have spoken to air force officers, n.c.o.'s and men from Ottawa all the way west and what I am saying arises from recent conversations, not conversations of months ago.

Morale is being very seriously affected, first of all by a lack of announced policy. I am sure it is also going to be affected now because the men do not know where the axe is going to fall next. If reassurance could be given to these very capable individuals who

serve in our air force I think there would be an immediate raising of the level of their morale.

I have a word to say about the minister's announcement concerning Rockcliffe. I would hope that his announcement that fixed wing operations out of Rockcliffe airport are going to be discontinued will not affect the continued operation of that airport. I would hope that the minister and the Minister of Transport have had some sort of conversations which will result in the continued operation of this airport for fixed wing aircraft under the jurisdiction of the Department of Transport. When the minister replies to the comments that have been made perhaps he might cover this point. I am sure he is aware there is a flying club at Rockcliffe and there are other smaller fixed wing aircraft which could use this airport efficiently, provided it is not closed down entirely. I think the Department of Transport should take it over if the R.C.A.F. operation is going to be discontinued.

I am very sorry to see the photographic establishment being done away with. Here is an establishment that led the way in technical skill and ability in photography in Canada, particularly in the role for which it was best suited, that of air photography. It has accomplished more in air photography than any other organization in Canada that I know of. It has led the way not only in Canada but in the world in its operations. It is a sad thing to see this operation being transferred to the Department of Mines and Technical Surveys. However, unlike other members I have to agree that there should be some homogeneity in photographic operations in Canada and it would seem that this operation could be merged very efficiently with that now carried on under the Department of Mines and Technical Surveys program for the air mapping of Canada.

May I say a word about the army militia. I think it is a very sad thing that the minister has announced these great cut-backs in militia establishments in Canada. It seems what his announcement really means is that the emergency measures organization is being virtually forgotten. It means that all the plans which have been developed over recent years to use the militia as a civil defence organization are being abandoned, along with their training in survival operations. So far as unlimited nuclear war is concerned, which I believe is the only result if nuclear weapons are used, the militia has been trained in recent years to meet this specific emergency and by cutting back on the militia units across the country it seems to me that we are very seriously endangering our civil defence organization. I believe this particular cut-back is going to have very serious repercussions indeed.

I would be interested in learning the real reasons for the disbanding of the 107 search and rescue operation at Torbay. It seems to me that this particular unit was performing a very necessary function. Search and rescue operations are essential to the safety of air travel in Canada and, as hon. members know, the search and rescue operation of the R.C.A.F. is the only organized search and rescue operation for all flying in Canada. Therefore I very much doubt the advisability of cutting back one of the key operations in the maritime provinces.

I cannot conclude my remarks without making particular reference to the plans of the defence department as they affect my own constituency. The minister mentioned, as found on page 5456 of *Hansard,* that an announcement had already been made regarding the northwest highway system being handed over to the Department of Public Works. In making this reference he said that it was not expected that the majority of the present civilian employees would be affected. He hoped that they would all be retained in the transfer.

I have made representations personally to the minister, which I am sure he will recall, urging him to approach this change-over with the idea that there should be a phased withdrawal of army personnel in the Yukon, because what the announcement means is that virtually every soldier and every family of a soldier will be leaving the Yukon. There will not be a single soldier left there. I am sure the minister realizes that this will affect the economy of the Yukon very seriously. What 390 soldiers did, a substantially lesser number of public works employees will be able to do. I do not say that by way of derogation in any way of the ability of the army personnel.

I notice that one of the former commanders of the northwest highway system is sitting in the gallery. He like all his predecessors did an extremely admirable job in the maintenance of the Alaska highway which does not only concern my constituency but some in British Columbia and Alberta as well. At this point I think I should pay a tribute not only to the commanders of the northwest highway system who have been maintaining the highway since 1945, but also to all of the personnel who have not only done such an excellent job in the maintenance of the highway but have contributed very substantially to the growth of the economy and the social life and every other aspect of the development of the Yukon. It is a very sorry

occasion to have to see all of these soldiers leave the Yukon after such very close relationships had been established with these men not only on a personal basis but on every other basis over so many years. I suggest to the minister that a phased withdrawal is essential in order to assure the least possible disruption of the economy of the Yukon generally, and particularly Whitehorse where a payroll of over $1 million annually is involved. Certainly, the payroll of the public works personnel will not even approach the payroll of the army. Then, of course, there is the consideration of some 500 school children. I believe the date the minister mentioned in his remarks yesterday was April 1. Well, school does not get out until June, as I am sure the minister knows. It would be my hope that his plans would involve consideration of this aspect so that the bulk of the army personnel would not be leaving until after the school term had been concluded.

Until recently the army has been responsible for the maintenance of the Haines cut-off. The minister of northern affairs, has replied to my numerous inquiries concerning negotiations between the governments of Canada and the United States in a rather belligerent fashion, while the Minister of National Defence has been most co-operative. I certainly do not claim exclusive credit for accomplishing the all-weather maintenance of the Haines road, but I am sure if the minister of northern affairs would admit the truth of the matter, he would see from his files or would be advised by his officials that I have been advocating this course since 1958. I feel a real economy can be accomplished.

I was disappointed to learn yesterday from the statement by the minister of northern affairs that United States equipment will be used and United States labour will be used on a section of the Haines road that is purely Canadian. It seems to me we have unemployed people in the Yukon who could be capably employed in the maintenance of this road. We have the equipment which could have been used, rather than calling upon United States equipment. I know there is no snow-blowing equipment of the capacity of the United States equipment and able to do as efficient a job, but I am sure that Canadian contractors would soon supply that equipment and I am sure that Canadian labour could do the job just as efficiently as United States labour. Perhaps this question might be reconsidered by the minister and his colleagues in the hope that it might assist in eliminating the constant spectre of unemployment which exists not only in the Yukon but elsewhere in Canada, and which has not improved so substantially as to allow the government to spend $127,000 per year in order to encourage United States employment rather than Canadian employment.

Leaving the Yukon for a moment, I must express disappointment in the minister's announcements concerning cut-backs in the army and navy. Canada has only one aircraft carrier and one naval air operation. It seems to me that this has been essential—

[*Translation*]

Mr. Choquette: On a point of order, Mr. Chairman. The time allocated to the hon. member has now expired.

[*Text*]

The Chairman: Order; the hon. member still has a few seconds according to the time which is being kept, not by the hon. member for Lotbiniere, but by the Chair.

Mr. Nielsen: I am sorry, I did not have my earplug in so I could not catch the French interruption. I should like to conclude, since I have a few seconds, in this manner: it seems to me that these cut-backs the minister is making are going to result in a further drift toward accepting the policies of other nations, particularly those of the United States, rather than formulating our own national defence policy. At the outset of my remarks, I said that we should establish national objectives for defence, and political objectives for defence with regard to belonging to organizations such as NATO, the U.N. force and the like. The announcements by the minister are simply a means of allowing us to drift further and further into following the policies established by other nations, particularly those of the United States. I think this is a very sad state of affairs indeed.

Mr. Deachman: Mr. Chairman, on the evening of November 11 last I went with some of the members of the defence committee to the Arc de Triomphe. As you know, sir, France's unknown soldier is buried underneath that arch and an eternal flame burns there. De Gaulle had gone there in the afternoon to place a wreath on the grave. When we arrived we could see in the glare of the floodlights the flag of France, the tricolour, filling the whole of the arch. One almost felt that de Gaulle himself had called on the wind to fill out this symbol of the glory of France.

In the next three days we were never permitted to forget the presence of de Gaulle or the glory of France. De Gaulle is by nature an intellectual, rather like the late John Kennedy, and he tends to surround himself with men of keen intellect and tough fibre. The men who briefed us were incisive, tough and confident. All were men of considerable

achievement. All felt the same intense loyalty to de Gaulle and to France. They understood their national policy; they believed in it. They knew where they were going and they felt sure that they knew how to get there.

This is what they told us. With the end of the t.n.t. age and the advent of the nuclear age, the principles that govern warfare have changed. Few have bothered to recognize that a new and clearly defined body of logic applies to the subject of war and peace in the nuclear age.

First, whereas it was possible for a nation to engage in a war of limited risk in the t.n.t. age, it is no longer possible today among nuclear nations. War is no longer, as Clausewitz said, an extension of diplomacy by other means, for in conducting nuclear war it is not possible to limit or control the extent of the destruction of national wealth which either or both sides may suffer. In Clausewitz' day in eighteenth century Europe, it was possible to send a small mercenary army against a neighbouring principality and to capture it. Thus, by risking the loss of the mercenaries, a valuable and comparatively undamaged territory might be won. In world wars I and II, the United States risked its expeditionary forces in Europe. These were calculable and limited risks on behalf of their allies and in the interest of restoring peace with all its benefits.

Nuclear arms now nullify the validity of all such military alliances. They are, according to the French, no longer valid or tenable, for the law of limited risk now no longer applies. The nation which goes to the support of its neighbour today may be exposing itself to complete or virtually complete destruction. If a beggar asks you for a franc, say the French, you may give it; if he asks you to risk your life for him you will quickly pass him by.

What country could persuade its people to wage war on behalf of an ally knowing that in doing so it might be inviting 10 or 20 or 100 Hiroshimas on its own soil? Would any president urge such a course upon his people? Would any people follow such a leader who promised, not a limited war of blood, sweat and tears, but total war and eternal oblivion? France does not believe that it should ask an ally to undertake such a suicidal mission on its behalf.

Hence, the first principle to be observed in the new logic of the nuclear age is that military alliances are no longer valid. Collective security has little meaning for nations facing each other with nuclear weapons in their hands. If a nation wishes to survive in the nuclear age it must have its own nuclear deterrent and a delivery system capable of surviving and retaliating, say the French.

That is why, we were told, France has established its own force de frappe and why it will have within a few years a delivery system of supersonic bombers, missiles and nuclear submarines of its own. Moreover, they assure us, no committee of allies will weaken the credibility of their deterrent. France's enemies will know that there is only one will behind the force de frappe, one finger on the trigger.

The second principle of war in the nuclear age is that armies are virtually obsolete in the face of nuclear weapons. An army has strength only when it masses the fire power of its individual members. But, when an army is massed or concentrated upon a narrow front in order to obtain maximum firepower, it also becomes an excellent target for nuclear bombs. Thus, the more it concentrates its power the more it invites nuclear attack and total destruction. An army is a cumbersome and inefficient way of concentrating firepower compared with nuclear bombs or missiles. Armies, therefore, will not hold the same importance as they once did.

In support of their theories the French told us that they were applying 50 per cent of their military budget on new equipment while cutting back on the total numbers in their armed forces. France's army of the future will be a strong army of only five divisions but dependant on the force de frappe if an enemy should attack the flesh of France.

The third principle to observe is that a comparatively small nuclear power like France can deter the attack of a much larger nuclear power like Russia. To illustrate this point the French tell a story, that France was anxious to own Monaco so it threatened to drop a nuclear bomb on Monaco if it did not capitulate. Monaco replied that it too was a nuclear power for it owned a fast plane loaded with two nuclear bombs. France laughed at the temerity of Monaco and dropped a bomb on it, destroying it utterly, but not before the one-plane deterrent force of Monaco took off and dropped its two bombs on Paris and Lyon. Thus France had completely destroyed the valuable prize it had hoped to seize and for its troubles two of its greatest cities were reduced to rubble. Did the great nuclear power win the war against the little nuclear power?

The story illustrates the point that, unless it has a completely impenetrable defence against nuclear attack, it is not rational for a big power to attack a smaller nuclear power, for in doing so the big power is unable to limit the risk involved.

These arguments lead step by logical step to the conclusion that there will be no nuclear war. The world of the future will consist of nuclear powers in balance and non-nuclear powers in ferment.

If these ideas seem strange to members of this house—remember, it is not the first time that de Gaulle has put forward new military ideas. He is one of the most brilliant of modern military theoreticians. In the 'thirties he outlined the principles involved in blitzkrieg warfare and urged their adoption. The French ignored him but the Germans read the book and applied it to France. He warned against dependence on the Maginot line and upon the theory of a static front. Again he was ignored. And when the time came the Germans went around the Maginot line, and France was overrun by fast-paced panzer divisions who had learned what France refused to learn from de Gaulle.

Now let us cross the Rhine into Germany. I do not propose at this time to dwell in detail on Canada's role in Germany where we have our air division and army brigade. What I want to discuss in more detail today is Europe itself in which we Canadians are so heavily committed, and upon which we depend for the security of the free world. For if we understand Europe and the forces at work there we will better understand how to approach the problem of defence.

While we felt in France that we had arrived in a country where the cold war is regarded with life-and-death seriousness, we felt when we crossed into Germany that we had arrived at the front. Twenty of Russia's best divisions are stationed in East Germany and Czechoslovakia. They can attack in force immediately without build-up and without warning—like Pearl Harbour. Forty more divisions are in the satellites and 100 are held in Russia. Yet in Europe we have within NATO only 22 divisions to meet the Russian threat. A Russian thrust into West Germany would immediately involve major cities. From the border of East Germany the city of Hamburg is only 30 miles away; the Kiel canal, 40 miles; Frankfurt 70 miles and Munich 100 miles from the border of Czechoslovakia. Cologne and Bonn are only 125 miles from East Germany and the port cities of Antwerp, Rotterdam and Amsterdam no more than 250 miles away. By striking 200 miles across southern Germany from Czechoslovakia, Russia could bring its armoured divisions face to face with France across the Rhine. From take-off time to bomb release time no city in this area is more than six minutes away from Russian strike planes.

Let us lay these distances out on more familiar ground. To capture Hamburg a Russian division would have to travel no further than the distance from Ottawa to Carleton Place. Frankfurt would be no further away than Brockville; Cologne or Bonn no further away than Belleville; and the coast of Belgium and Holland would be less than the distance from Ottawa to Toronto. Thus, we hold today in Europe no more than a narrow bridgehead upon the great land mass of Europe and Asia.

Some people of good intention, striving for ways to lessen the tensions of the cold war, or seeking means to reduce its costs, have asked why do we not pull our forces back and disengage from the cold war front. On the narrow strip of Europe on which NATO now stands we would have to move back to North America to disengage.

Why not then, hold our troops in Canada and fly them in when they are needed? The American operation, Big Lift, showed the delicacy of matching planes and men from North America with their equipment in Europe. But what would happen in wartime? There is greater likelihood that Russian soldiers would reach our equipment before we could and greet us with a well planned reception.

Why not establish a buffer zone between our NATO forces and the communists? We have such a zone now, clearly marked on all NATO military maps. It is there for the purpose of preventing our boys from inadvertently wandering across the iron curtain, and it is backed by electronic warning devices. This is a voluntarily imposed buffer zone. Why not negotiate a deeper one—say 25 miles on each side of the border, and remove all military personnel from the area? If the average east-west depth of Germany from the Baltic to the Rhine is 100 miles—and that is approximately correct—then a demilitarized zone of 25 miles on the west side of the border would reduce by 25 per cent the depth of the field in which NATO has to manoeuver. At the same time, Russia, making a similar concession would hardly be affected at all, as its depth of field extends to the wall of China.

Germany is scornful of France and its force de frappe. France still follows the myth of national grandeur and sovereignty, they told us. She is draining away the efforts of NATO to establish a strong conventional force and she is using the force de frappe to blackmail her allies. There should be co-operation in nuclear defence and not a drifting apart into separate nuclear blocs, they told us. Our conventional forces in Europe are not big enough to repel more than preliminary probes. Moreover, the loss of Berlin would destroy the whole credibility of NATO to defend the western world. Germans wrap themselves in Wagnerian gloom when they contemplate the

cold war. NATO will never get into action in time to save them, they say; and they have written to Mr. McNamara asking him to permit the firing of battlefield nuclear weapons in the very first stages of attack. NATO must strike early to prevent being overrun and to preserve what strength it has, they say.

Much of what I heard in Germany confirmed what I had already heard in Paris. There are not the conventional forces in Europe to do more than hold the Russians for a short time, and the west has no intention of providing them. The United States in fact, is more than anxious to reduce the burden of maintaining a quarter of a million men in Europe. Western Europe is so small that a superior force of fast moving armoured units would overrun it in a week or two. Knowing this, the people of Europe have no intention of delaying the use of battlefield nuclear weapons.

Europe is gearing itself for trip-wire war. The doctrine of measured response in which we North Americans were to be given time to reflect on the war while European cities were slowly reduced to ashes by conventional means has been put aside. Instead Europe is readying for instant nuclear war—not a war in which we wait to be hit first but, if the situation warrants, a pre-emptive war, a war of first strike.

NATO officials are more reluctant than the French or Germans to discuss these cold war facts. They give the outward appearance of being more cautious than some of the fast guns we talked to in France and Germany. But they go ahead with the preparations to carry them out—and so we must infer that they follow, as Mackenzie King might follow if he were here, a policy of trip-wire war if necessary but not necessarily trip-wire war. For example, our own brigade under NATO practices sand table schemes and exercises in which the members of the brigade act as game beaters and bushwhackers to drive the enemy into a position where they can hit him with the Honest John, on a first strike basis.

As for our CF-104, it is singularly constructed and armed to fulfil a first strike role. One cannot imagine its being held in reserve even for minutes, for it is a weapon of such overwhelming power that it must strike first or itself be wiped out by the first missiles from behind the iron curtain. No enemy would let a weapon of such ferocity go unchallenged for a second. By comparison our Voodoos, our Bomarcs, our brigade, are toys. In world war II the first 1,000-plane raid on Cologne went aloft with 3,000 aircraft engines, 6,000 men and 2,000 tons of bombs. It took an hour and a half to pass over the target and it wiped out 935 acres. One CF-104 can carry out a somewhat comparable mission in a few minutes with its little torpedo shaped bomb. Their task, in military language, is to interdict the battlefield—to seal it off—by dropping nuclear bombs on all the eastern approaches to Europe in the first instant of war. In a nutshell, when the CF-104's come home eastern Europe will have been snuffed out.

In our journey through Europe the question was asked again and again: Is there a non-nuclear role for Canada? And each time it was asked we were met with the same enthusiasm a barman might have for a boy scout in a tavern calling for a lemonade. It was obvious from the first day of the tour that we are needed in Europe and that no one expects us to dilute our role there. The French, the Germans, NATO, the British, all made this clear. So in planning our long range defence role there are some conclusions about Europe which we should consider here, for we are involved in Europe.

First, NATO is no longer an alliance grouped around the single deterrent power of the United States. It has become a much looser alliance of nuclear powers including the United States, England, France, and perhaps within a decade some others, including Germany. As Woodrow Wilson might put it if he were here, the future of NATO offers open schism openly arrived at. In such a NATO Canada would not likely be required to carry out a nuclear role on the continent of Europe. But we are needed there now, and for some years to come, as much as we have ever been needed by our allies and by the people of the free world.

Second, because no country can defend itself completely against nuclear weapons, no country will invite nuclear war. The age of limited risk has passed. The age of unlimited and incalculable risk is here. As long as Europe is able to threaten instant nuclear retaliation, as it does now, there will be no war with Russia, for no Russian leader will deliberately risk the instant destruction of the great cities of his beloved homeland. There is real hope for mankind in this fact, for man is learning that nuclear war is suicidal.

Third, with Europe in nuclear balance we may expect to see the cold war fought all over the globe in revolutions, uprisings and petty wars of attrition everywhere. This is where our next and most vital role may be, and it is going to be a conventional and a dirty one.

Mr. Chairman, in Cologne on Sunday we went to the great cathedral which our bombers had spared during world war II, just as theirs spared Saint Paul's and Westminster Abbey, and we heard the choir sing Martin

Luther's great hymn Ein Feste Burg, which I suppose has been sung there for 400 years:

A mighty fortress is our God
A bulwark never failing,
Our helper He amid the flood,
Of mortal ills prevailing.

Hearing it, Mr. Chairman, I felt that we were learning to live in the nuclear age and that there is no reason why Luther's hymn should not be sung in that same cathedral for the next 400 years.

[*Translation*]

Mr. Pigeon: Mr. Chairman, while we are studying the estimates of the Department of National Defence, I wish to state that I deeply regret the decision of the Canadian government, which asked the United Kingdom to build three submarines at a cost of $33 million. Had this order been placed with our own shipyards, it would have provided jobs for 10,000 workers in Canada. The authorities of Davie Shipbuilding in Lauzon feel that the company might have built the three submarines with slight differences in measurements, as they would probably have been somewhat longer and broader, but their quality would have been better, and they would not have cost more than $58 million.

In my estimation, it would have been a clever move on the government's part, since it would have allowed the Canadian shipyards to give jobs to our workers.

What surprises me also is that Japan filed tenders and offered to build the three submarines at a lower cost than the United Kingdom, without any loss in quality.

I would have liked the Minister of National Defence (Mr. Hellyer), or his associate minister to give us some explanations on that point. I am sorry to see that the Associate Minister of National Defence (Mr. Cardin) is not here. I am told he is in Montreal at present. I would have liked him to submit to the house a report on the interviews he had with the various representatives of Quebec shipyards, these same representatives who came recently to Ottawa to protest against the decision taken by the Canadian government to build frigates outside Canada.

I have here a press dispatch published some days ago by *Le Devoir* and which says:

Sorel workers protest
Workers of the Sorel shipyards are angry at the government's decision to have three submarines built in the United Kingdom. "The contract is for $33 million, and that money will come from the Canadian taxpayers," said this week end Mr. Leandre Provost, secretary of the national shipyard workers' union, affiliated to the confederation of national trade unions.

"By this decision, the government is taking away jobs from Canadian workers and increasing unemployment and job insecurity," he added.

[Mr. Deachman.]

The article continues:

Recently, Ottawa cancelled the building of eight frigates in Canada which were to cost $452 million.

I feel, Mr. Chairman, that this decision will certainly not help the Canadian government to reduce unemployment.

May I also point out that we would have liked the Minister of National Defence to refer to the position of French speaking Canadians in our armed forces, as well as about what he intends to do to improve the situation at the College Militaire Royale de Saint-Jean.

Mr. Chairman, here are a few statistics for the year 1951:

Number of officials in the Department of National Defence earning $5,000 and over: 88. Number of French speaking officials: 10. Percentage: 11.3.

Here are the statistics for the year 1958:

Number of officials in the Department of National Defence earning $6,500 and over: 502.
Number of French speaking officials: 51.
Percentage: 10.1, that is a decrease of 1.2 per cent.

We would have liked the Minister of National Defence to tell us also whether he intends to study the recommendations made by the federation of Saint-Jean-Baptiste societies of the province of Quebec regarding the College Militaire Royale de Saint-Jean.

1. That the Department of National Defence make legally clear the bilingual status of the Royal Military College of St. Johns and that bilingualism be maintained at that college as we know it at the present time.
2. That be also maintained the ratio of 65 per cent French speaking cadets to 35 per cent English speaking, in each new enrolment at the college.
3. That the Royal Military College of St. Johns be officially affiliated to the University of Montreal so that the curriculum be perfectly suited to the previous training of the cadets.
4. That the full course be given at St. Johns, without the cadets having to go to Kingston to complete their studies.
5. That the Royal Military College of St. Johns be freed from Kingston's right of oversight and constitute a self-contained unit of the military colleges in Canada.
6. That the Department of National Defence make sure that all military and semi-military establishments be provided with school facilities for the benefit of the children of French speaking and Roman Catholic servicemen who are stationed there.

Mr. Chairman, I have learned that the children of our French speaking, Roman Catholic servicemen in Europe have to follow a school program practically identical to the one which exists in Ontario; in other words, the teaching is the same as in that province. In my opinion, this is a serious disadvantage. It is important that children of French Canadian families in Europe should enjoy an education system similar to the Quebec system, because when these students come back to Canada they are confused since they must

continue their studies in colleges in the province of Quebec after receiving in Europe an education patterned after the Ontario school system. So, Mr. Chairman, I suggest that the Department of National Defence should take the necessary steps to correct the existing situation.

Mr. Chairman, allow me to say a few words about the countries which are producing nuclear weapons and the countries which are accepting them.

In my opinion, to ensure peace and prevent world destruction, it is essential that the non-committed nations, that is those countries which do not produce or store nuclear warheads, reinforce by all possible means the United Nations efficiency in their efforts to maintain peace and security.

Drastic action should be undertaken as soon as possible by such nations. They must present a united front so as to grant extraordinary powers to the United Nations disarmament committee, which comprises at present 18 nations. That committee should, in my opinion, include a greater number of non-committed nations in order to force by all possible means both eastern and western powers to destroy and ban their nuclear weapons.

The nations having and producing nuclear weapons have already committed dreadful crimes against humanity. The after-effects of nuclear tests have shocking crimes to their credit, particularly the pollution of the earth waters and of the air, which will result for generations to come in food pollution.

The so-called nuclear powers which accept on their territory nuclear warheads produced by other great powers are criminal accomplices and jeopardize the future of mankind; they also become satellites of a foreign power.

Mr. Chairman, it is truly shameful that only a short while after the signing of the thermonuclear test ban treaty, which does not apply though to underground testing, certain countries including Canada have accepted the stockpiling of nuclear warheads.

Geographically speaking, Canada is squeezed between the two great nuclear powers. In case of a nuclear war, we would be the target of the enemy and our cities would be destroyed.

At present, radioactive fallout which is perhaps greater in Canada than anywhere else in the world, contaminates our foodstuff.

It seems a good thing for mankind to sign a nuclear test ban treaty since nuclear weapone have already been tested and proven.

The only logical means of ensuring the security of mankind is to give the disarmament committee full powers to stop countries from producing nuclear weapons and to force them to get rid of the stockpiles located on their own territory or that of their satellites as Canada is about to become one. If it had extraordinary powers, the committee could not only make inspections but also find means of destroying those stockpiles by burying them under the polar ice-cap for instance. An agreement could be reached whereby that territory would become the property of the United Nations.

The world might well rejoice because certain nuclear powers have signed a partial test ban treaty. It still remains however, that those countries are going to keep up the production of nuclear weapons and continue doing research work in their atomic laboratories for military purposes.

An embargo on nuclear weapons would result in a sharp reduction of military expenditures which could be earmarked for peaceful undertakings.

As far as military expenditures are concerned, it is estimated at present that all countries of the world spend approximately $120 billion a year for military purposes. This amount represents at least two thirds of the national income of all underdeveloped countries, and about 85 per cent of this total is spent by seven countries: the U.S.S.R., the United States, Great Britain, France, western Germany, communist China and Canada.

As for the use for peaceful purposes of resources released by disarmament, no country should fear it will not be able to put those resources to a useful purpose. Actually, there are so many ways of using those resources, that the real problem would consist in establishing a priority scale. Among those needs, one might mention the increase of individual consumption, more particularly in underdeveloped countries, the expansion of productive capacity, and investments in the social field, like education, housing, health and purely scientific research.

I appeal to all non-committed powers to launch a crusade to that end in the United Nations, in order to rid humanity of nuclear arms and thus ensure an era of true peace in the world.

In concluding my remarks, Mr. Chairman, I shall repeat the words I said during the conference of the international parliamentary union, which recently took place in Belgrade, and I shall also quote a few sentences from the encyclical Pacem in terris by His late Holiness Pope John XXIII:

> Justice, right, reason and humanity—demand—that nuclear weapons should be banned.

and further:

> Peace is a right, peace is a duty, peace is a gift.

Mr. Deschatelets: Would the hon. member allow a question?

Mr. Pigeon: No, Mr. Chairman, I want to give the minister, who has become very silent since he became a member of the cabinet, an opportunity to make a speech, because I have come to the conclusion of my remarks, having said all I wanted to say.

Mr. Deschatelets: If the hon. member would allow me to ask one single question—

Mr. Pigeon: No, Mr. Chairman, I am giving the minister the opportunity of making a speech, if he wants to—

The Chairman: Order. The hon. member has refused.

Mr. Deschatelets: In a few moments I shall have an opportunity of speaking to the hon. member.

[*Text*]

Mr. Langlois: I have been listening to some of the speeches and exposes made here this afternoon, tonight and yesterday on the subject of national defence. I listened attentively to the speeches made by the hon. member for Vancouver Quadra tonight and by the hon. member for Joliette-L'Assomption-Montcalm. To his last citation concerning Pope John I could also add maybe that peace is also a state of mind and that you have to make it; it does not just lie on a platter. This is probably the main line on which to conduct the expose I want to give.

I should like to divide it into two sections. First, the position of Canada toward the allied forces in NATO, and the others, and then, Canada and its internal defence. We have an obligation toward our NATO allies, not only because we say we are Canadians and belong to the western bloc but because we owe those countries the help they may need and which we can spare them. It is not only the help we may give them, but also the help we might receive from them. Our participation in NATO is not only important on the military side.

The hon. member for Vancouver Quadra tonight gave an explanation of his tour with the NATO parliamentarians this fall and I came to the conclusion that he had probably attended the military meetings more than the others. I may say there is a defence committee, an educational and technical committee, a political committee and an economic committee. He was on the defence committee. What I wish to stress tonight is the role of the economic committee, which also belongs in the NATO alliance, and Canada's participation in that field of activity. From the military point of view, as far as I can gather on these NATO conferences and trips such as we had last summer, Canada is well accepted and greeted by the European countries in this NATO alliance. Militarily, yes, but also economically and, maybe further than that, morally. I think one of the greatest forces in the possession of our European allies and friends is the moral support and the hope we give to these people. They feel secure. They feel there is a friendship on the part of Canada, and also, necessarily, on the part of the United States. I am thinking particularly now of Norway and Turkey which are among the NATO allies. Turkey is a country which shares one of its boundaries with Russia. Norway has one part of its boundary on the Russian border. Its people watched what happened in Finland not long ago. They need Canada, morally and also as friends, so as to feel that they are not alone. Friendship is not necessarily extended by military force on the soil of others.

I have had an opportunity to speak with parliamentarians from some of these countries. I think their greatest hope is that Canada will stay friends with them and continue to give support to them. As far as military weapons are concerned, we have not brought in too much artillery to those countries, but we have brought them hope that we would help them in case of an attack by the eastern bloc. When I consider the military aspect, I ask the minister to study the situation of Turkey at this moment, a country which has been drained of its economic resources by a succession of wars for the past thousand years. Turkey has been fighting ever since that country existed. What has it brought? Go to that country and there is one thing that strikes you: If 10 per cent of the national defence budgets in the past had been devoted to developing the country it would not be in the economic state in which we find it today. You cannot drain a country of its resources through continual warfare. I have never known a war bring prosperity to any country; you always pay in the long run. Turkey is one country that has had its share of war and realizes it now. It does not depend on Canada for artillery, but like many other NATO countries it depends on Canada for the economic help we can supply. That has been stressed and I have noted this fact on different occasions. It came to the surface in the economic committee. I found this to be true also in the technical and educational field. These countries need the economic help of Canada and also of the United States because they are all at a low level in that field, in fact possibly more so than they are militarily.

Canada cannot do otherwise but help these people, but we need not necessarily do so with artillery. It would be too expensive for Canada to try to follow some of our allies into

the nuclear race. There is one thing that Canada has to be on guard against, that we do not find ourselves in the economic situation Turkey is in now by trying to compete, or by trying to follow along in the nuclear race which is going faster than we can follow it.

We can play a role more or less like Sweden, which is situated between Finland and Norway, is playing, by adopting a neutral attitude toward the military side of things. Mind you, the eastern bloc is possibly more concerned with Sweden being neutral than with Canada being on one side. They understand the position of Sweden and respect it just as we do. Sweden is gaining the confidence of other countries. It has the confidence of Norway, its neighbour, and it has not furnished Norway with any military equipment or nuclear arms of any kind. Sweden escaped the last two world wars and its economic situation is possibly one of the best in Europe. Canada should follow this example of not going too far, so far as military warfare is concerned, but rather emphasizing more the economic help we can give to other countries based on our natural resources and the richness of Canada's own soil.

There is another aspect I want to consider, the internal defence of Canada, with which we possibly feel more at home. The scope is not so wide. We have two kinds of internal defence to face, that of wartime and that of peacetime. I agree that we do need a defence for our country, but in saying that I must also say that we have to have a defence that we can afford. It is all very nice to say that we like the Bomarc, we like the Honest John, we like the CF-104 or the Voodoo, but by the time we get them paid for they may be obsolete. The CF-104 was a very effective weapon, but the United States has since developed other weapons which are causing the CF-104 to become more and more obsolete every day, and possibly by the time we get our CF-104's paid for they will be obsolete. They may be paid for on the one hand, but we still have the debt on the other hand.

So far as Canada's own defence on our own soil is concerned I suggest that what we need is small effective groups of well trained men with up to date, modern, highly flexible, conventional arms, something that we can afford. We think about nuclear war sometimes but I think some of the world leaders fear it more than we do because they realize the repercussions of such a war more than members of this house or ordinary Canadian citizens. Canada cannot afford a nuclear war. We cannot afford to get the military equipment necessary to fight one, so we have to get what we can afford, mobile forces of men well equipped with conventional, up to date arms for rescue purposes and for defensive and offensive needs that may arise. If we have a nuclear war I do not know what we could do with what we have by way of nuclear arms now, so that it seems to me that rather than preparing ourselves to face a nuclear war we should prepare ourselves to face an ordinary conventional war and equip our forces accordingly.

But what about the potential of trained men we have in the country in peacetime? Are we going to have them continue to shine their buttons and march every day of the week? That is all very well in giving them their basic training, but can we not find something else for them to do that would help the country in peacetime? We could train the men in all three of our military forces to help in the case of national emergencies, regional emergencies, conflagrations, which we often have in Canada, and in the case of floods which we also have in Canada. It is true that the army already provides help. The army did so in the sorrowful event that took place when the DC-8F crashed near Montreal. The army was on the spot. But we could use more of the men in the army, navy and air force if they were also trained in that way. We could use them a great deal more. We could give our soldiers specialized training in the commercial field and in other fields. We could give them specialized trade training so that if they did come out of the armed forces they would have a specialty. If there was a war we could then recall these men with their specialties and bring them back into the forces, but in the meantime they would not be wasting their own time and the country's money.

I was looking at an article, which I am sorry I do not have with me, but which dealt with something the minister said and which I also heard about while at the NATO meetings. I refer to the suggestion of bringing all three military forces more or less under one command. The navy, the army and the air force would all be on one base working together and there would be no preferences as between one force or the other. I have heard the minister say that he would like to unify the forces and more or less assimilate them. This might be good in one sense and bad in another. I have heard both sides of the question from military men themselves. This is very suitable for basic training in peacetime. You can afford to have a little conflict, a little bit of friction, between officers in peacetime. However, when war is declared there is no time to have conflict or sparks flying between your own allies,

between your own generals. They have to have a common goal. This is no time to have prejudice against one or the other. This is no time to say the navy is better than the army or the army is better than the air force.

It is bad in this sense, Mr. Chairman, that today the tendency is toward specialization. We have had several boat crashes on the St. Lawrence seaway, but these accidents have not been as prevalent as the ones which occur on our highways. I must say that I feel secure when I get on a boat and I know there is a naval captain in command. I feel just as secure when I get on an airplane—

Mr. Nesbitt: A ship, please.

Mr. Groos: Hear, hear.

Mr. Langlois: I know the hon. member was a naval captain who knew his job. I would feel secure if I were to get on a ship and he were the captain, but I would not feel so secure if he were the pilot of an airplane. There are technicians who develop skills in their own fields. If they do not develop these skills, they are not appointed to the air force, the army or the navy. We have to have specialization in machinery, in artillery in the type of warfare that is waged today. We need that specialization. I do not see how you can get specialists when you are going to combine all the forces.

Another point, Mr. Chairman, is the question of promotion. I might be an army officer and I might have a liking for my army colleagues. I see an air force officer who is eligible for promotion and who has the same rank as the army officer. You can be as honest as you want but you can also have a little bit of reconnaissance towards the one fellow. You may push the army fellow, and shortly this will be a cause of friction and the sparks are going to be flying. This is a question that has been discussed between military men themselves. Last summer we were talking to the allied forces in Europe and there was an observation made to this effect. I think the Minister of National Defence should take a little bit of time to inquire into that problem and he may revise some of his ideas on the subject. He did make these comments some time ago.

If you unify the forces, Mr. Chairman, you put everybody on the same footing. I do not see how you can apply this principle to normal human beings without having them feel that they are just a small cog in one big wheel. If we are going to have an effective defence program, we have to have every soldier, from the private to the general, feeling that he is a useful member of the army.

I know, Mr. Chairman, that the minister has listened to quite a few speeches. I hope that he will take the best out of them. If I have made any small offering, I am glad I did. However, until somebody tells me I am wrong, I will feel the same way, Mr. Chairman. Before I close, I should like to tell the minister something about national defence problems in my own region. Thetford Mines has been asking since the last war for "menage militaire". Since 1914, two regiments have gone overseas from this region. We were talking about specialization and having competent men available for our armed forces. The asbestos mine in Thetford Mines would be willing to insert a clause in the contract of their employees that all the engineers working for the mine would have to spend some time at a military base before they would be employed. In this way, you would have engineers with military training. If a mining company such as this is willing to co-operate with the government, then I think the government should give some consideration to co-operating on a request of this sort. There are young people in that region who are willing to join the armed forces of Canada but who cannot do so at the moment because the local regiment is training outside in the snow in the wintertime. If it gets too cold they clean out a garage and train there.

You cannot interest anybody in a military career by giving him a glimpse of such a situation. I would urge the minister to look into that situation and do what he can to rectify it. I urge the minister to give consideration to the establishment of a versatile military force with conventional arms. This force could be used for the protection of the country in the event of an emergency. I think we should be proud to be a member of NATO, yes, but we should help the underdeveloped countries economically. I think we would have a stronger alliance, Mr. Chairman, if we had a little understanding instead of having fear. I think the greatest deterrent force is understanding and comprehension and not necessarily military power.

Mr. Pennell: Mr. Chairman, I rise to trouble the committee for a very few moments. Perhaps I might be excused having regard to the fact that the Hagersville army camp that is to be closed falls within the ambit of the riding which I have the honour to represent. In the circumstances, I feel it is my responsibility to state plainly and frankly my position in this matter. I cannot conceal from myself that I am torn between the competing demands of my constituency on the one hand and of the national economy and national defence policy on the other. I acknowledge frankly that public opinion in my constituency

is acutely alive to the implications of the minister's announcement. That announcement, I also acknowledge, will set in motion a trying train of consequences both for the riding and, if I may be permitted to say so, for myself.

I realize that in the displacement of these workers some of the older men will be forced to go into a labour market to seek job opportunities where the scale is tilted in favour of younger men. It is in that atmosphere and in the light of these competing demands that I have to weigh the government's decision.

I must state that as soon as I heard the decision I went to the minister and, in the hope that he might delay the necessity of closing the camp, I asked him frankly if there was not some purpose that the Hagersville camp in the present circumstances or in the foreseeable circumstances could usefully serve. The minister, with equal candour, advised me that this camp was no longer essential, and its closure would save the Canadian taxpayers $1.5 million annually, and those savings would not include the cost of maintenance of the physical assets of the camp.

I realize economy must be fundamental in government decisions. It would indeed be easy to shape government policy if we did not have to consider money. Mr. Chairman, it would be easy and attractive for me to be seduced by personal and parochial considerations and therefore abuse the minister with the hope of advancing personal political fortunes. But I would only be deluding myself and my constituents to the realities of the need for economy and to the shifting circumstances of our defence policy.

Every unnecessary expenditure of the tax dollar does a great injury to the country, and a very grave injury. My mind was moved and my opinion was influenced by the knowledge that the minister had sincerely, searchingly and thoroughly examined the situation with the assistance of competent staff. There are increasing demands on the government for more money for social legislation, demands that cannot go long unanswered. There are increasing demands for more money from the provinces, and for a larger share in the tax sharing revenues. In short, we must cut the coat to suit the cloth. Indeed there is a duty upon the minister to cut the coat to suit the cloth, provided of course that the coat covers the wearer.

I should also say I have personally inspected the Hagersville camp on a number of occasions, and this camp has lived in the shadow of this decision for the past two years. I trust my hon. friends across the floor will acquit me of incivility if I draw their attention to the fact that it was only last September that the former government discharged 40 per cent of all civilian employees in the Hagersville camp. That announcement was met with silence from the supporters of that Conservative administration. I took no satisfaction from that announcement. I had occasion to discuss it then, with the associate minister of defence and I accepted his submission that he was moved by the same consideration that moves the present minister, the necessity for national economy.

In these circumstances, and with the greatest reluctance I accept the decision of the government, but I am bound to say that I hope those who are laid off will not become slaves of this policy of economy. I shall be watching with attention and critical interest to see that the government discharges its obligations to those displaced workers.

Mr. Churchill: Mr. Chairman, I listened very attentively to the hon. member for Brant-Haldimand as he indicated how he was going to bear the burden that is now forced on his shoulders in his own constituency. I wish I could share his views that various alternatives suggested by the minister have had the very careful consideration which he attributes to the minister.

I agree with him that economy is essential in any operation of government. At the same time, when you are dealing with the subject of national defence you have to consider the safety of the Canadian people and the country. Money is required for a vast number of things, for welfare purposes and social security, and we know the provinces are eager for a greater share of tax revenues. All those things are well known to us, but there is an overriding necessity on the part of the government to assure first of all the safety of the country and the survival of the people of the country. Otherwise all these other things count for nought.

Consequently my examination of the proposals put forward by the minister are not restricted to the effect that may be felt in any one particular area, but rather the overall effect with regard to national defence. The fact that I remained fairly silent today is no indication that I am any more favourably disposed to the lack of policies of the present government on defence than I was yesterday, but I wanted to hear from the Associate Minister of National Defence and I wanted to see what the attitude of the Prime Minister would be today.

I asked him one or two questions on orders of the day and he rested upon the collective responsibility of the cabinet, which is normal, and consequently he accepts full responsibility for the policies, or lack of policies, now being pursued by the Minister of National

Defence. I wanted to come to the rescue of the Minister of National Defence. He is under the gun. I think the Minister of Finance has a pistol at his head and has said to him, "Now, unless I am going to be ruined again twice within 12 months, with the largest deficit in Canada's history, you must cut down."

Every minister of finance looks with a jaundiced eye at the expenditures of the Department of National Defence, but I am surprised that the Prime Minister has not supported the Minister of National Defence. Why did he not resist the pressure from the Minister of Finance, unless the Minister of National Defence is going to say that the ideas he has put before us are entirely his own? If they are, then of course he is open to even greater criticism.

Why did the Prime Minister not protect the minister and the associate minister from the ravening hand of the Minister of Finance? Of course cabinet ministers are expendable and there are other people in the Liberal party who are ready, willing and able to take over at any given moment. So, I appreciate some of the difficulties that face the Minister of National Defence, but I question again these half-baked solutions that have been put before us today.

Yesterday I heard the Minister of National Defence praise the Associate Minister of National Defence. I do not know why he would do it. We accept him in the position which he occupies, but the minister asked us to consider how hard worked the associate minister was and what a great piece of work he was doing. Then today the associate minister asked us to appreciate fully the hard work the Minister of National Defence is doing. So, they patted each other on the back, asked for our sympathy and hoped that we would understand their position. Certainly it was all completely unnecessary. Cabinet ministers have a job to perform; they do not have to be thanking each other for the assistance they receive, or patting each other on the back.

When the Associate Minister of National Defence was speaking I heard this phrase through the translation system. He said, "What we are attempting to do is a housecleaning operation". I wrote it down because it differed a bit from what the Minister of National Defence said yesterday; he said it was a housekeeping operation. If there is housecleaning to be done, I think it should start in the ministerial offices. Let us get things cleaned up there first, because they are certainly on the wrong track with the things they are doing. The Associate Minister of National Defence told us of the tremendous work that is going on: Studies in depth, he said. There are these vast studies in depth going on. I have never been quite sure how you make a study in depth. I suppose the Minister of National Defence and the associate minister have just been skating over the surface all these years and now they have discovered that there is more to it than met their eye when they were sitting over here in opposition. At any rate, they have entered upon studies in depth and all sorts of these studies are going on. The next thing we know, they will be having week-end seminars to determine what is to be done with regard to national defence.

I think all this is a bit of nonsense, putting up a pretence that this is a tremendous problem that nobody had ever looked at before but now these bright people are really making a study in depth and are going to find out what has been happening in the Department of National Defence. Of course they had a lot to learn and I hope they are learning, but I am disappointed that the learning is not proceeding very rapidly. Then there was talk about these comprehensive surveys that are going on. The associate minister said he doubted whether there were three people in the House of Commons who understood the magnitude of the work that was being done by the Minister of National Defence in these comprehensive surveys. I thought there were more than that within the Liberal party who should be given credit for some sensibility with regard to these matters. He was not very favourably disposed to his own members.

Mr. Chairman, it is not good enough. The associate minister—I am sorry he is not here because I dislike speaking about him in his absence, but we may not be back on these estimates again—said that I was now exhorting the government to accept nuclear weapons. I have been doing no such thing at all. All I am saying to them is, get on with the job. This government said that the minute they were elected they were going to make all the necessary arrangements so that the nuclear weaponry would be available to our forces. My accusation is that eight months have gone by and they have not completed the task. I do not know what the answer is to this except a careless indifference to defence matters. If this was what should have been done—and this is what they said last year—why have they not got on with the job? There is not a thing for the Bomarcs; they are sitting there unarmed, gaping up to the sky. If an attack occurred tomorrow, nothing would happen. This is what they were saying last winter, and eight months have gone by and nothing has been done.

They said our Voodoo 'planes will not be fully effective unless they have nuclear weapons. What have they done about it? They say, "Oh, well, you have to sign a general agreement with the United States, and then a technical agreement", and apparently they have done those things; the dates were given to us, August and October. But they are postponing letting out tenders for the missile dumps because it is not the appropriate time to do it. I would be willing to wager that a year will go by before nuclear weapons are available to the Voodoos. This is the speed at which this government is moving.

Then the associate minister was talking about the air division over in Europe and there was an exchange of remarks with regard to the missile dumps. I interrupted the associate minister when he was talking about the missile dumps and asked him a question. He spoke to his mentor about it, and I jotted down what he said. The answer was: "My colleague informs me that the infrastructure that was being built was held up because of the fact that the government"—that is, the Conservative government—"had not agreed to sign any agreement with the United States". I said: "I regret that I cannot accept that statement". The Minister of National Defence said: "It is true, whether you accept it or not". Then I said: "It is not true", and he said: "Certainly it is". This was just one of those friendly exchanges across the floor of the house.

Let us examine the facts, Mr. Chairman. I think it is regrettable when any hon. member misleads the House of Commons. There is perhaps a heavier responsibility on a minister of the crown. The missile bases by the air base at Zweibrücken were under construction last winter. The contract was let by the NATO authorities. This work is being done under the infrastructure arrangement; the associate minister said so today. I saw the commencement of the construction of the missile dump at Zweibrücken in February of this year. I asked about the delay, and the answer was that the German contractor was unfamiliar with the pouring of cement in very severe winter weather—and it was a very severe winter—and there would be perhaps a six months delay in the construction of the missile dump. No agreement had been signed between Canada and the United States. Since that time the construction work has gone on. The associate minister so informed us today, and he said the work would not be completed until perhaps next spring or later. Then he disclosed the fact that the technical agreement with the United States has not yet been signed and may be signed soon.

Where does this leave the Minister of National Defence? He said the delay in the construction of the missile dump at Zweibrücken and the other station in Germany was due to the fact that we have not signed an agreement with the United States. He has not yet signed an agreement with the United States, and the construction was under way last winter and is going on now. I say that the minister misled the house when he said this delay was due to the fact that we had not signed an agreement. Exactly as I said last winter, this was a NATO obligation. NATO headquarters had to make the arrangement. It has nothing to do with Canada at all. We do not own any territory there whatsoever. It is German territory and the agreement was with the Germans. I hope that settles this particular matter and I express the hope that the minister will not continue to mislead the house in this way.

Mr. Chairman, the importance of the subject of national defence is such that there are quite a number of things I would like to say and some answers I would like to receive with regard to this particular subject. I was disposed yesterday to move along very quickly with the estimates of this department, until I heard, examined and considered the statement made yesterday by the Minister of National Defence. I think the disturbing part of his statement, ignoring for the moment the fact that he enunciated no satisfactory over-all policy, was the announcement of the reduction in the reserve forces of Canada. That reduction will heavily hit the reserve forces of the navy, the army and the air force.

I am much more familiar with the reserve forces of the army than with the other two forces, because of 15 years experience with the militia of Canada. I know the minister does not think very much of the militia or he would not take this action. He has an impression, that is shared by other people in Canada, that the militia is an expensive operation and is ineffective. I spent 11 years between the two wars in the militia and I know the attitude. True, there was a depression at that time, but even when the depression was easing and the threat of war from Hitler was hanging over the world the government of Mackenzie King took no effective action on the militia—the non-permanent, active militia. For 11 years I was a member of that militia, but when the second world war broke out the same thing happened as had happened in the first world war: The first people to go to the colours and swear in were members of the militia. In Canada on August 31, 1939, when war was imminent, 10,000 militiamen were enrolled and were doing guard duty on the canals, railway

bridges and places which required security protection. In September, 1939 in the city of Winnipeg—and I speak of things of which I am familiar—the Fort Garry Horse, the Winnipeg Grenadiers and the Camerons were enrolling their officers and men. Nearly all the officers and all the senior N.C.O.'s in those three regiments were from the militia. That is the response the militia makes in time of trouble. When the Korean war broke out in 1950 I stood in the armouries at Winnipeg when a troop from the Fort Garry Horse volunteered to serve in the composite force being drawn up by the Department of National Defence.

This business of writing off the militia of Canada completely shocks me. I wonder if these comprehensive studies in depth of the Minister of National Defence have embraced this absolute and worth-while masterpiece by Dr. Stanley of Kingston entitled: "Canada's Soldiers, 1604-1954," which gives the story of three and a half centuries of Canadian militiamen. We have a tremendous background of service to our country. The essential activity of the militia in the 18th and 19th centuries was matched again in the 20th. Why is this Minister of National Defence writing down the militia of Canada? Does he know anything about the history of our country and the history of the militia? In 1840 the militia of Upper Canada showed a strength of 248 battalions, of Lower Canada 178, all told about 230,000 men. That was mostly on paper; it was a muster which they had each year. This is what Dr. Stanley said about it in his book:

> The great advantage of the old compulsory militia system was a purely moral one, the fact that it brought home to every adult male and many an adolescent youth the idea that he was by virtue of his citizenship a militiaman, to whom the country had the right to look for its defence in time of need.

What was true in 1840 is true today in 1963. Why should not everyone in this country be prepared to serve his country? What is wrong with our young men joining the militia and, as some of them do, maintain an interest in it for 20 or 30 years? It is good for them and for their country. We owe more to our country than just the ordinary civilian service, important as that is.

I say that the minister has overlooked the history of this country and has downgraded the militia, and he will destroy the morale of our militiamen. It is hard enough to keep it up; if you weaken the force it will be very hard to sustain morale. Under our regime we were attempting to enlarge the militia because the two ministers of national defence who preceded me had an understanding of the militia, and I supported them in everything they did or said about it. The present minister does not appreciate the militia and he is ruining it. This is the annihilation of the militia of Canada. He is going to stand down, as somebody said this afternoon, four out of ten of the men serving. It means cutting out four out of ten regiments or battalions. This will have a shattering effect in community after community in Canada where people have gladly given this type of service.

Over and above that—and this is even more serious, as mentioned by the hon. member for Calgary North—the training of the militia in the last few years has been toward the question of survival. And let us be realistic and practical about it; much as we deplore war and do not want to see it, we still have to be ready for every type of emergency. We have, of course, to have our strike forces and our men ready and active in the field; and you have to have reserves behind them. But in this age of nuclear war you also have to do something about civil defence or survival operations. Let the minister answer this question: What is he going to do about the 265 columns which have been prepared for civil defence organized into 66 mobile groups? In this age, when the fear overhanging the people of the world is nuclear war launched by missiles against which there is no defence, all we can look forward to is proper survival operations afterwards, and for that we are dependent on the armed forces and on the militia. Because trained, disciplined bodies of men know how to act in time of emergency. We had that situation at the time of the flood in Winnipeg in 1950 when the city was in danger of being completely under water. The people called out were the militia. People from the militia took full charge. I worked for ten nights on the dikes under the command of a major from the militia. You have to have organization, men with training to conduct operations of that nature. There are always events happening in Canada where military organization is essential to assist civilians who are ready, willing and anxious to assist but need to have some direction and some organization so that their efforts are not wasted.

This is what bothers me and it is why I asked the Prime Minister today, who has the overriding responsibility for the protection of the people of Canada—the emergency measures organization, civil defence and survival operations all come under the Prime Minister of the country. and he gets assistance from the Minister of National Defence—

Mr. Hellyer: Not any longer.

Mr. Churchill: The minister says not any longer; there has been a shift of that to someone else. But that does not absolve the

Prime Minister from the primary responsibility. He is the person to look to, if this is what is going to happen. Has the Prime Minister agreed to this reduction in the militia? Has he agreed to cutting this organization almost in half, when its main duty in the last few years has been connected with survival operations? This is why I am so concerned over this matter. I think the militia, together with the reserve for the navy and the air force, is essential to assist the service in time of war. But we are faced with other possibilities and we must be ready for them. Unless there are trained, organized bodies of men, what are we to do? It does not matter how much training we may have had as individuals; we are just a group of civilians, a crowd, a mob, unless there are disciplined men who are able to take charge, give instructions and direct operations.

Why has the Minister of National Defence slaughtered the militia? What is he going to save? About $15 million. It is a worthy objective, to effect economies, but let us have the economies in the right place. None of us can foresee the future and we do not know exactly the nature of the holocaust which would occur in the event of a nuclear war. But we have some idea from experiences in the second world war and later, and as sensible people we have to make some provision. We are responsible for the younger generation of this country and for the children, and nothing can be done unless there is an organization. We spent many hours and days when we were the government of this country, trying to work out planned emergency measures. It is not easy, but an organization was gradually being built up. I realize there is not a great deal of public interest in many of the cities of this country with regard to this matter. But that does not absolve the government or the Minister of National Defence from taking action. It does not matter what the degree of public interest may be. There is a job to be done and it rests with the Minister of National Defence to find a means of carrying it out. Having worked this organization up to a fairly competent level the minister now proposes to cut it down and destroy it.

This is not good enough for the Canadian people and this is the most serious accusation I am making against the Prime Minister of this country and the Minister of National Defence. In their avid desire to save money here and some money there, they have forgotten the safety of the Canadian people. I should like the minister tonight to tell us he intends to review this program, to consult with his colleagues and with the Prime Minister and, perhaps, withhold this proposed destruction of the survival operations program for this country. I am quite prepared to pause at this moment and await an answer from the Minister of National Defence with regard to this matter.

Mr. Hellyer: I hope to be able to answer some of the questions which have been raised by hon. gentlemen and then, perhaps, we might pass item one and go on to the detailed items upon which some of the other questions which members of the committee may have in their minds can be answered.

At the outset, I should like to explain the absence of the associate minister this evening. He has gone to Montreal to address the 50th anniversary dinner of the C.O.T.C. of the University of Montreal. In recognition of the brilliant service of thousands of officers who have graduated from that university to serve in our armed forces throughout the years we agreed it was right for the associate minister to fulfil that engagement. May I join in congratulations to the University of Montreal contingent?

I regret the hon. member for Villeneuve is not here but perhaps I might reply briefly to a question he raised in respect to Mr. J. A. Lavoie and his mining claim on lands at Senneterre. The property involved in these claims comprises the lands which form R.C.A.F. station Senneterre. These lands together with other properties required for defence purposes were made available to the Department of National Defence by arrangement with Mr. Duplessis, former premier of Quebec. As required, this department advised Mr. Duplessis of the land requirement at Senneterre on August 10 and on August 11, 1950. However, the provincial department of lands and forests were unaware of the recording of D.N.D. requirements and on 25 October 1950 issued a mining licence. Later, when Mr. Duplessis was informed of the double interest in the lands, he expressed the view that no difficulty would be experienced by D.N.D. as conflict would be obviated by the operation of the requirement that the mining licensee must have consent of the proprietor to go on the land.

It is interesting to observe that the subject lands had been explored and prospected for over 30 years with no active interest by any prospector until the date following D.N.D.'s survey. Further, the application for a mining licence covered precisely the land that had been delineated by D.N.D. as the site for station Senneterre, and following a reduction of the defence department's requirement for land, a similar reduction was requested in the extent of the mining licence properties.

Since 1952, Mr. Lavoie has made repeated representations to the department through

each succeeding member of parliament and through the offices of solicitors. In each instance the department has set out its position and invited Mr. Lavoie to come forward with a reasonable and practical exploratory program which could be authorized or, alternatively, to present his claim to the court for determination of its validity. Mr. Lavoie refuses or is unable to do either.

The hon. member for Vancouver East read into the record yesterday some figures with respect to NATO. I expect there was a misunderstanding involved in them and, consequently, I should like to take this opportunity to correct the record. The hon. member referred to the costs of the brigade and the air division, comprising approximately 6,500 servicemen each, as being from $350 million to $465 million in each of the last five years. The cost figures used by the member appear to be those tabled in this house but I wish to point out that they include the cost of the ships and aircraft assigned to the supreme allied commander, the expenditures for mutual aid including contributions to infrastructure and NATO budgets, as well as the costs of the brigade and the air division.

The hon. member for Calgary North wished to have some further information with reference to the closing down of R.C.A.F. station, Calgary. I regret he is not here at this moment, but I may say that the flying field at this station, is a small one, built during the second world war, which cannot be used by the Tudor jet trainer to be introduced in 1964 in place of the Harvards. It would therefore be necessary to spend several millions of dollars on a major runway reconstruction project to continue the use of this field and the inherent facilities associated with it.

As the amount of repair and overhaul business available from R.C.A.F. operations in Canada has been substantially reduced with the discontinuance of NATO aircrew training and the reduction in the number of aircraft in the air defence system, it would be uneconomic to spend large sums on this airfield to maintain a repair facility at this location. These repairs can be undertaken at considerably less overhead cost by other arrangements.

Mr. Woolliams: Would the minister permit me to ask a question? It has to do with Penhold. The hon. gentleman's colleague, in reply to the Leader of the Opposition, said the decision as far as Penhold was concerned was final. At page 3204 of *Hansard* the minister gave the impression that before a decision of this nature was made the matter would be referred to the defence committee. Was the matter referred to the defence committee and were witnesses called before his colleague made the statement today that the decision as far as Penhold is concerned is final and that ends it?

Mr. Hellyer: I would have to check the reference the hon. member has made because I am sure I gave no undertaking I would refer the matter to the defence committee.

Mr. Woolliams: I wonder whether the minister would allow me to put it on the record?

Mr. Hellyer: You can send it over and I will take a look at it later.

Mr. Woolliams: If you really want it on the record now is the time to put on the record.

Mr. Hellyer: After I have finished you can put it on the record.

Mr. Kindt: May I ask the minister a question?

Mr. Hellyer: Would the hon. member mind waiting until we get down to the details and I have the officials in front of me? I can then answer these questions in greater detail.

The hon. member for Victoria (B.C.) asked if we would permit former members of the naval reserve to use naval facilities if there is no expense to the crown. The question arises whether in fact this can be done within the premise as he has stated it. Presumably in order to use facilities, equipment would be required. If equipment is required certainly there would be maintenance costs involved. If maintenance is involved there are costs to the crown. However, this is an interesting suggestion and we will certainly take it under advisement and see if there is any possibility that it could be done within the terms of reference suggested.

The hon. member for Pontiac-Temiscamingue chastened me for saying first of all that the situation with respect to the air division in Europe is not satisfactory and then not doing something about it. He says I have a responsibility to settle it and to settle it immediately. I intend to do something about it, Mr. Chairman. However, there are two considerations. First of all there is the defence committee report which I suspect may have something to say about the air division and the roles it undertakes in the defence of Europe. Second, any change in configuration in the air division requires consultation with our NATO allies. Under these circumstances it is just not possible for me to make an announcement at this time, even if that were advisable.

He also raised the question of the possible use of nuclear weapons and he gave the impression, which he said he had gleaned from his tour, that these weapons might be used

by a brigade commander and presumably without any prior political authorization. This impression must be corrected at once because it is not in accordance with the facts. I am surprised that after all that has been said about the control of the use of atomic weapons some members still seem to be in doubt about the conditions under which military plans for their use are determined. I am sure it is realized by now that American weapons which will be available for Canadian forces remain the property of the American government and their ownership is never relinquished by that government.

American law provides that only the President of the United States can release atomic weapons to the American forces or to forces of other countries which have agreed to use them in support of NATO. This decision at the highest political level is a necessary first decision before any weapons can be used.

Once this decision has been taken to release the weapons the decision to use them in NATO is made at the highest level by the supreme allied commander, Europe. This decision is conveyed downward in the case of the Canadian brigade through the northern army group to the brigade commander, and the decision to release is conveyed downward from the senior American commander in Europe through a unique American communications system to the American custodial party, who retain custody of the weapons until they receive the release authority from the President of the United States.

Mr. Douglas: Is the President of the United States the only political authority whose consent must be secured by the chief commander of NATO?

Mr. Hellyer: He is the only political authority who can release the weapons for use. After he has released them, whether or not they are used depends upon other considerations and the national forces who are part of—

Mr. Douglas: Are the member nations to be consulted?

Mr. Hellyer: Yes, they are. If I may finish the statement perhaps we could come back to that later. Before SACEUR would authorize the use of atomic weapons by forces under his command—I think this is the answer to the hon. member's question—he would require to obtain national agreement from the governments of the forces which would be ordered to use the weapons. It can be seen therefore that the impression that Canadian commanders at brigade or lower levels would on their own authority use atomic weapons just is not so. Any such false impression must have been gathered through misunderstanding of the situation.

The hon. member for Simcoe North—I regret that he too is not here—raised the question of cadets for the army, navy and air force. In respect of cadets there are no reductions contemplated. However, with regard to the university naval training detachment, the C.O.T.C. and the U.R.T.P. reductions are contemplated. These will be of the order of approximately 50 per cent and the saving will be of the order of $1,400,000 annually. Discussions will be undertaken with the universities as to how this can best be carried out.

A question was raised in respect of search and rescue. Those activities at present carried out at Torbay will be undertaken by the unit at Summerside. This will result in providing adequate service at a considerably reduced cost. The same hon. gentleman asked why the frigates were cancelled before new programs were announced. As I explained earlier, it was necessary to give notice to end uncertainty in respect of a major program. It would have been unfair to a large number of people to have withheld this information once a decision had been taken. No doubt if it had been withheld an outcry would have taken place.

As already announced, we are doing our best to determine our future requirements to the end that new ships can be laid down just as quickly as possible and in order that we can have the best possible equipment for our armed forces. I agree with the hon. member that the emphasis at this moment should be on research in order that we can be sure of just what future requirements are.

He mentioned the NATO antisubmarine warfare research unit and I should like to say a few additional words about that. The SACLANT antisubmarine warfare research centre at La Spezia, Italy, is a NATO research establishment with a scientific staff drawn from NATO countries. This laboratory conducts research in fields of antisubmarine importance, in particular in applied physics, oceanography and operational research. Currently Canada is supplying on loan from the defence research board the leader for the operational research program. In addition, Canada is providing the chairman for the scientific committee of national representatives which advises on the research program to be pursued by this laboratory.

While talking about research I have an announcement which gives me great pleasure. I am sure hon. members will share my pleasure on reading a statement concerning the Alouette by E. M. Cortright, deputy director of the office of space science of the national aeronautics and space administration,

published in the special annual NASA issue of the magazine, *Missiles and Rockets*, November 25, 1963.

The statement reads:

> Alouette, the Canadian swept frequency ionospheric top-sounder, has had the best test and flight record of any free world scientific satellite. After well over a year of orbital operation the system is working perfectly and has not even employed any of its redundant systems.
>
> At this stage in the experiment, even though only a small fraction of the available data has been analysed, it is clear that a major advance in our knowledge of electron density distributions in the ionosphere has been achieved.
>
> For your further information, the following is an operation summary for Alouette as of local noon, December 4, 1963:

Number of orbits around the earth	5,888
Number of miles travelled,	169 million
Number of commands executed	15,250
Miles of magnetic tape recordings	3,170
Requirement for spare equipments	none

Mr. Fisher: It sounds better than the Bobcat.

Mr. Hellyer: You are right.

Now, I should like to deal with some of the major criticisms of my statement. The hon. member for Calgary North said I was irresponsible in proposing the changes I announced yesterday. I do not agree with this judgment.

Some hon. Members: Oh, oh.

Mr. Douglas: That is the most surprising statement of the session.

Mr. Hellyer: On the contrary, I think I would have been irresponsible if I had not undertaken these changes at this time. As a matter of fact, I think some of them might have been implemented several years ago.

Let us put this matter in perspective. Approximately since 1959 the Department of National Defence has had a serious problem. Insufficient money has been available to carry out all of its tasks. Under these circumstances, there were three alternatives available. The first was to get more money from the treasury.

Mr. Nowlan: Oh, oh.

Mr. Hellyer: I see one of my hon. friends, an ex-minister of finance, chuckling at that suggestion. The second one was to defer procurement and development programs. The third was to effect economies and to get a balance of forces, to provide an acceptable division of expenditures between operation and maintenance and capital programs. For national reasons, more money has not been available. There have been, as hon. members know, a series of very substantial deficits. The present Minister of Finance has stated that we will have a substantial deficit this year, and I think it is no secret we will have another substantial deficit next year.

An hon. Member: Carrying on your tradition.

Mr. Hellyer: We are carrying on your tradition. Under the circumstances, it seems unrealistic to expect larger sums of money to be available for defence in the immediate future.

Now, during those years, the option that has been chosen has been the deferment of programs. As a result, we now have an accumulation, a backlog, of about $400 million worth of equipment. If this policy were continued for a few more years, we would have no equipment for our armed forces at all. We would have the best housed, best dressed and best fed but most poorly equipped force in the western world. This is obviously an untenable position. A responsible minister has no real alternative but to reverse this trend. Only in this way can we have not only the best trained but also the best equipped force in the world.

Particular exception has been taken to the reduction in the militia. I am not a historian as the hon. member for Winnipeg South Centre is. My knowledge of the militia back to 1600 is probably not as thorough as his. I do know, however, the historic part it has played in the recent history of this country, and particularly in the first and second world wars. I do admit that in the first and second world wars, without the non-permanent active militia it would have been impossible to mobilize as we did. It was, in fact, the mobilization basis for two world wars. The situation in 1963, however, is not identical with the situation in 1939. As a matter of fact, it is about a world apart.

Our main activity now is the deterrence of war, the deterrence first of all of nuclear war, second, of a major non-nuclear war, right down through the scale to sub-limital war, insurrection and so on. Through this whole spectrum of deterrence, the greatest weapon available is forces in being. The chances of a long major war comparable to world war II, although it is a possibility, is extremely remote. Consequently, mobilization potential of the type relied on in two world wars now has a much lower priority than forces in being. The choice before us, then, is expenditure on equipment for troops in the front line versus other expenditures such as the militia.

This is the choice. In the present situation, we have a brigade group in Europe in the front line exposed to a well armoured, well equipped enemy force, without adequate equipment. We have two reserve brigades in Canada that are equipped with training

scales only. This decision taken in 1959 seems to me to be untenable. The choice, then, simply is an expenditure on the militia or on proper equipment for our front line troops.

Mr. Nasserden: Will $15 million do it?

Mr. Hellyer: No, but it would help. This $15 million would buy a lot of M-113 APC carriers. No one likes to make a decision of this nature because it is tough. Nevertheless, hard decisions have to be made. If there is any one element which seems to be lacking amongst some people in this country at the moment it is a sense of realism. If we are going to be realistic, we have to make hard decisions. Everyone applauds them in theory, but not so much in practice. We are now considering the militia on the basis of what real part it would play in a mobilization potential, and with a priority in the scale of priorities which can be applied against modern strategy.

We are also mindful of its potential role in national survival. I think it is a real consideration because notwithstanding the remote possibility of a thermonuclear holocaust, there is at least a mathematical possibility, and this risk cannot be completely ignored. It is our plan to retain sufficient strength to cope with this requirement. It will not require 265 columns, as my hon. friend has suggested. This figure was based on a target system which was completely and utterly unrealistic in present circumstances.

Finally I may say that in respect to the R.C.A.F. reserve units, they too are allied with the militia units in this survival task, and in the reorganization that will take place the target system will be taken into consideration, as will other factors. Unfortunately at present a great number of our columns are in target areas and this is a difficult problem to solve, but I am sure it will be tackled realistically by the gentleman we will ask to assist us in this task.

Finally, the official opposition critic has scolded me for not giving a statement on policy at this time. I suppose his objection, however, is nothing like as severe as it would have been if I had announced the policy now. It is not that I have not been considering policy, because I have, morning, noon and night. It is true that studies have been undertaken, studies in depth and studies in breadth as well. The matter has been given a great deal of thought and I, Mr. Chairman, along with other members of the committee do have some thoughts on this subject.

However, I have been impressed by the work of the special committee on defence. They have been diligent in their work. They have laboured in their efforts to acquaint themselves with the complexities of defence problems and policies based on modern strategy, the differences of opinion in this important fundamental field, and where perhaps a Canadian contribution might fit into the picture. This debate has reflected the new and much higher level of understanding in respect to defence matters which has been acquired as a result of the deliberations of the committee.

I think it is well worth while, therefore, to await their report before making recommendations to the government. If any of the hon. gentlemen opposite do not agree with this point of view, I would hope that in the course of this debate they would indicate that they do not agree with it.

Finally, Mr. Chairman, may I say again how much I regret the period of re-adjustment and uncertainty. I doubly regret the problems posed to individuals and to families. In the broader context, however, these dislocations will pass in time. Meanwhile we will be able to fashion a policy which will not only lift morale to its highest peak but will also produce the maximum and most flexible Canadian contribution to the peace and security of the world.

Mr. Churchill: Would the minister complete his answers by telling us how long the air division in Europe will be unarmed and not ready for immediate action?

Mr. Hellyer: I cannot answer that question precisely, Mr. Chairman, because as has been pointed out there are a number of factors which have to be taken into consideration, including the completion of storage facilities, the signing of the technical agreement, the state of readiness and training of the squadrons and so on.

Mr. Churchill: Then will the minister admit his decision to disband the interceptors was militarily unsound?

Mr. Hellyer: It was not my decision; it was that of my predecessor.

Mr. Churchill: I question the minister's statement with regard to that. He is now making an accusation. Are you meaning me as your predecessor, or the hon. member for Calgary North?

Mr. Hellyer: I was not specific.

Mr. Churchill: You never are. Therefore, Mr. Chairman, I will have to make this a question of privilege. The minister has made an accusation which he knows is untrue, and I ask him to withdraw that statement.

Mr. Hellyer: If it will please my hon. friend I will withdraw it, but may I say the decision, at least by inference, was taken some time ago because this was part of the phasing out

of the old interceptor squadrons, which was directly related to the phasing in of the new CF-104 squadrons, which has been going on for a year and a half.

Mr. Weichel: Mr. Chairman, although I have a very bad cold and it is very difficult for me to talk, I would like to say a few things which I feel are very important about matters which should be brought to the attention of the Minister of National Defence at this time. Principal among them is the reduction in personnel of the army, navy and air force, which would also contain the special training at the Kitchener tender H.M.C.S.

For the past three or four years the previous government did much to improve the conditions of the militia and the Royal Canadian Navy reserves in Waterloo North. However the minister now threatens to tear down all the splendid progress made, especially by the Kitchener tender H.M.C.S.

For over 30 years the city of Kitchener has been trying to purchase the old post office building on Benton and King streets, for the purpose of widening the street at this important intersection, which has been a distinct hazard for traffic. This building has now been sold through crown assets corporation to the city of Kitchener.

In order to bring about this successful purchase the former government leased property on Victoria street, so that the Twelfth Royal Canadian Army Medical Corps and the Royal Canadian Reserve could be moved from the old post office building to this new site.

Owing to the cost of housing the Scotch Fusiliers of Canada in the Dunker building, where they have resided for many years, it was decided by the Department of National Defence that this unit and the Twelfth Royal Canadian Army Medical Corps would be moved to the new armouries on Victoria street, and the Royal Canadian Navy reserve would be stationed in new quarters at the Kaya building on Weber street, which has been done.

Through the fine efforts of such men as Commodores Piercey, Kirkpatrick, and others, the Kitchener tender has produced the highest standard of training at the lowest cost per trainee in Canada. After much hard work by this unit they recently moved into these new quarters and are greatly concerned as to the intentions of the Minister of National Defence in regard to his remarks on page 5457 of yesterday's *Hansard*, that the tender at Kitchener would also be closed.

Mr. Chairman, I would like to read a telegram I received from the former officers of the Kitchener tender which explains their great concern in the announcement made by the minister.

[Mr. Hellyer.]

Kitchener tender has been housed recently in a new building leased for five years. This unit has produced the highest standard of training at the lowest cost per trainee in Canada. Other than parade pay the only item to be saved by closing this unit is the pay of one writer. Furthermore, it is considered that the spirit of the ship's company is such that the unit could maintain its present strength if parade pay were discontinued. It is urged that the Kitchener tender be permitted to continue training during the tenure of its lease and to increase its complement to the training capacity of its new quarters in order to lower further the per capita cost of training R.C.N.R. personnel.

I sincerely hope the minister will give his very serious consideration to the Kitchener tender being continued in Kitchener.

The Chairman: The hon. member for Kootenay West.

Mr. Herridge: Thank you, Mr. Chairman; I have been sitting here since eleven o'clock this morning.

An hon. Member: Since world war I.

Mr. Herridge: My colleagues behind are saying "Since world war I". My remarks this evening could possibly be properly described as a speechette, because I do not wish to delay the estimates longer than necessary. However, I am interested in this subject and I do want to have the opportunity to express my view briefly. I regret I was unable to be here yesterday, owing to my attendance in the veterans affairs committee in the afternoon, and in the evening I spent two hours in the external affairs committee listening to the superbly phrased ambiguities of the Secretary of State for External Affairs. I was interested in listening to the minister's reply to the various speeches that have been made. I noticed that he overlooked what I considered to be one or two of the better ones, but he may have something to say about them later.

These delayed estimates and the circumstances of the present time provide an opportunity, in my opinion, for this parliament and for the government to reassess our defence posture in a rapidly changing world. I use the word "posture" because I understand it was a word used very frequently by the defence committee when they were overseas, and I want to use language that is current nowadays. During the last 15 years we have spent millions of dollars in an effort to keep in step with our powerful allies and to meet, as various ministers of national defence have informed us, our commitments. However, the records of this house—and anybody who reads the records carefully, commencing with the establishment of the North Atlantic Treaty Organization and the speeches in this house on that subject, will confirm this—show that we have been repeatedly

misinformed as to the results that would flow from these massive expenditures and as to the future developments as the result of these expenditures in the political, military and economic fields.

Anyone reading the back history of these debates realizes how all governments were going into the future without much knowledge of what that future would be. We must make certain allowances for the fact that we are living in a very uncertain world, but these are facts. The minister's tale, shall I say, that was told this evening again amply demonstrates that fact. I remember that just a few years ago when the minister was in the opposition he was a famous anti-nuclear weapon exponent. He has changed his views somewhat in that respect. I also remember his telling us of the magnificent progress being made with the development of the Bobcat. My colleague from Port Arthur was quite interested in and enthusiastic about that subject. We believed what we were told. Now we are told it is being scrapped after spending some $7½ million on it, and we are purchasing a similar type of vehicle from the United States.

First of all, Mr. Chairman, I want to be fair as I usually am, or try to be—except under conditions of stress—and congratulate the minister on this first attempt to reduce the expenditures by cutting out some of the duplication and the waste that has occurred in his department, waste and duplication that has cost the taxpayers, the Canadian people, so dearly throughout the years. This is a limited approach, but we congratulate him for having the courage to do this, because our knowledge of military people is that you meet with great resistance when you start to cut down the budget of any of our forces. I remember—and I have quoted it repeatedly—that distinguished minister of national defence, who now occupies a high position in British Columbia, saying on one occasion that in all his lengthy military experience he had never known an admiral, a general or an air marshal who did not ask for far more than he required. I have always approached these estimates having that in the back of my mind, and I have quoted the former minister throughout the years. Therefore, Mr. Chairman, I think all of us give the minister credit for grasping a rather nasty stinging nettle when it comes to dealing with the reduction of defence expenditures, and we wish him well in all he undertakes in that direction from now on.

It is obvious that the government, faced with unexpected expenditures in connection with old age security, old age assistance, blind pensions and disabled persons allowances, began to look around to see where they could save some money in some department to make up for these unexpected expenditures, and to see where they could recover some of this expense. In my opinion the government correctly focused its attention on the department that offers the greatest opportunity for saving the funds necessary for socially constructive programs. We congratulate the government for that approach, and the minister for his limited economy program in this respect.

Our expenditures on defence began to rise rapidly with the formation of the North Atlantic Treaty Organization. At that time we were told that while NATO, as it is called, was basically a military alliance, great benefits were expected to flow from article 2 of this treaty, which provides for co-operation in economic, cultural and other fields. I remember the present Prime Minister making a considerable to-do about article 2 of the NATO treaty. It was the sugar coating, shall I say, that sweetened the treaty when it was presented to parliament at that time and attracted the support of many members of parliament who were somewhat dubious as to what this treaty would mean in the days ahead.

What has been the result as far as article 2 is concerned? The result has been nil. Only last evening in the external affairs committee I asked the Secretary of State for External Affairs if he could mention one concrete achievement under article 2. If you read the minutes of the meeting last evening you will see that the minister was unable to mention one concrete achievement. He did mention the benefits of people getting together, even though they did not accomplish anything, and discussing trade, cultural activities and things of that sort—making a social event out of it. But he was unable to mention one concrete achievement. Of course, there was nothing done, although we had the committee of the Three Wise Men, of which our Prime Minister was a member. They made recommendations, but there was nothing done with respect to the recommendations of the Three Wise Men, because as many of us suspected even in the early days, persons engaged in a military alliance and that type of operation—and I do not blame them; they specialize in one field—generals, and so on, as far as I am concerned are not usually experts on trade, cultural and other activities of that kind.

The next step was the rearmament of Germany. This was one method that would help us keep Germany on our side, we were told; otherwise the militaristic elements in Germany might get out of control. By bringing Germany into the North Atlantic Treaty

Organization we did something to support the democratic element in Germany, we were informed, and a rearmed Germany would not be permitted atomic weapons or ships or submarines above a certain size. However, all these promises have been forgotten as German demands increase with the growing German economic and military strength. This has been noticed by a good many people in Canada. Our contribution to NATO has cost the Canadian people, I think, including all the infrastructure, logistic costs and things of that sort, and buildings and transportation, approximately $400 million a year. That is a very heavy expenditure. We are told that our presence is still required for the sake of maintaining the morale of our allies. However, there is a growing dissatisfaction with this continued expenditure under present circumstances. The Canadian people know that from a military point of view the European nations can provide the same forces at one quarter the cost. This is illustrated by articles in a number of periodicals and military journals. This is, in the first instance, a wasteful way of approaching defence, from our point of view.

This dissatisfaction with our defence expenditures is not confined to members of this party. A day or two ago, according to the press, a member of the Liberal party in the Senate complained of these wasteful expenditures over the years in NATO and a member of the Progressive Conservative party suggested economies would be made by bringing our brigade home and keeping it in Canada. Not that he was suggesting that we should withdraw from NATO, but he was suggesting economies would be made by returning our brigade and other forces to Canada.

This dissatisfaction is found amongst other members of this house. The minister knows there are members on the Liberal side who are quite critical of our expenditures with respect of NATO under present circumtances, and there are members on the official opposition side who are also critical. Anyone who has been on committees or had conversations with members of the house knows that there is a growing dissatisfaction with the value we are receiving for this type of expenditure. I know from letters and conversations I have had in the country that there are also supporters of all parties in the house who are beginning to question the value of these expenditures and urging that consideration be given for the use of the same funds to greater advantage in other directions.

In my opinion now is the time to reassess our defence posture. The present situation provides the government with an excellent opportunity to review the whole program.

People of all nations realize that war is international suicide. We can have nothing to do with the multiplication of nuclear weapons. We have the two giants with enough to destroy one another in a few hours. We can have nothing to do with that role. But we can do something effectively in other fields.

In regard to this theory, that war is international suicide, I want to quote briefly from a book entitled "Defence or Retaliation" by Schmidt. I have not read the book fully but I have read passages and on page 5 I find this paragraph:

> Public opinion must recognize that we are going to live less and less under the protection of H-bomb deterrence. Many military men and politicians believe that this exposure can be remedied by means of tactical nuclear weapons, but at best this proposition is not even half true. Many have yet to learn that in the event of a collision in Europe our peoples would be destroyed by tactical nuclear weapons every bit as efficiently as by strategic bombs, and that, furthermore, the fact of their existence scarcely reduces the risk of the outbreak of war at all. If Liddell Hart, one of Europe's most respected writers on strategy, can say: "These governments will be unworthy of their trust unless they tackle the problem of developing a non-suicidal form of defence and providing the minimum military strength required for it"—

The writer of the book, I understand, is the military critic of the social democratic party in Germany and the book is recognized as very well written and is accepted as an authority by many persons who understand something about this very complicated subject.

The fact is that the cold war as the way of deciding who shall have world leadership and who shall not is out of date. I think that is recognized by all who have given the subject serious consideration. It has been superseded by the emergence on the world stage in the last 15 years of over a score of new nations in Asia and Africa which neither support the east nor the west at this time. True, they have as yet little power. They are undeveloped and in many cases poverty stricken. But they are developing. They have already won considerable world influence and influence in the United Nations, and it is their future support of either the east or the west that, in my opinion, in the long run is going to determine the question of world leadership.

I think we all recognize that there still is, and will be for a long time yet, a contest between western and communist values, but in my opinion that contest from now on, in these balance of terror circumstances, will be decided not by cold war tactics but by the values that win or lose the loyalty and support of the new and presently uncommitted nations. Canada is in a very good position to exercise influence far beyond her

military potential under these circumstances which offer us such a good opportunity.

What would this amount to in practice, Mr. Chairman? Economically it would mean our diverting that part of our military expenditure now required to keep our forces in Europe into uses such as social construction at home, and secondly as expenditures of foreign aid for the underdeveloped countries. It could also be diverted into manpower, as mentioned by one of my colleagues who is affectionately referred to by some of the ladies who sit in the gallery of the house and others as the Bertrand Russell of the House of Commons, namely the hon. member for Nanaimo-Cowichan-The Islands. I thought he made an excellent speech yesterday on this question, but the minister did not even make reference to his suggestions. I thought he made an excellent suggestion regarding the transposition of the use of manpower, taking advantage of the military training, the youth and knowledge of discipline of these men so as to utilize them in the field of assisting the underdeveloped countries. From a military point of view it would mean that we use our reduced establishment for home defence and civil defence and the protection of our population to the best advantage under the circumstances. Second, we would provide for the necessary air and sea patrols around our coast, and third we would provide for the maintenance of a highly trained mobile force with the necessary transport for use when required or called upon by the United Nations.

Politically, Mr. Chairman, what would this mean? It would mean a revamping of our foreign policy; a policy which would emphasize that the basic world problem is not the cold war—which we are inclined to overemphasize at this time—with an increase in nuclear weapons. We require a policy which underlines that the issue today is the future relationship between the rich and the poor nations and the need for some leadership on our part. In my opinion such policy takes time to develop; even some of the Liberal members agree with that. The only difference is that they were about 10 years behind us in their thinking, but you could see that subconsciously they were leaning in our direction, although the tempo of thought was somewhat slower. Such a policy is realistic from a Canadian point of view and provides Canada with the opportunity to set an example to the many nations who look to us for leadership in blazing new pathways to peace, which will gradually recognize the fact that the cold war is not an issue as far as we are concerned. It is the association with these underdeveloped nations and giving leadership to these nations that we could welcome.

Later on in the session I look forward to hearing the minister's statement on defence policy. I urge him to make a short step in the right direction. He has shown courage in clipping the wings of some of these wasters and I do hope that after listening to some of our arguments he will take another step in the direction we propose.

Mr. Kindt: It is always worth while to put things in their proper perspective. Taking the total amount of the cuts made in the military budget and dividing it into $1.6 billions which are, roughly, spent on defence, it amounts to about 4 per cent. Is that what the figure comes out at?

Mr. Hellyer: Close enough for argumentative purposes.

Mr. Kindt: Close enough for our purposes. In other words the minister is attempting to cut the budget by 4 per cent. Well, it is a move in the right direction, but I think the newspaper articles and the publicity which has appeared have distorted this matter out of its proper proportion. I know these cuts have hit us worse in Alberta than elsewhere and we are not happy about them. I want to say to those who are smiling over there, and who seem to be getting some pleasure out of it, that if they had been hit as badly as we have in Alberta they would be smiling out of the other corner of their mouths.

The minister said McCall flying field would be closed. May I ask him what is to follow the closing down of this field in Calgary? Is it to be sold? I understand it is to be sold. These are matters which the minister ought to have at his fingertips. He must have known when he gave the order to close that airfield what would follow and what would be done with it. Is he going to put it under the auctioneer's hammer? Will he get the Minister of Agriculture to auction it off? Perhaps he should get the Minister of Agriculture to auction it, because he does not spend much time in the house.

Mr. Hellyer: There may be a certain amount of negotiation required. The department may wish to continue to use some of the buildings. It could be that another department of government has an interest there. I have heard that the city of Calgary is interested. We will probably negotiate with the interested parties to see what the best solution might be.

Mr. Kindt: Is there any thought of adding to the length of any of the runways at McCall field?

Mr. Hellyer: I do not think so, Mr. Chairman.

Mr. Kindt: I turn, now, to one other point, my last, because I do not wish to delay the passage of these estimates. It has to do with the contract which was signed with the United States in connection with the acquisition of atomic warheads. That contract, I understand, was completed last August or October. May I say to the hon. member who is sitting beside the minister that I should like to have the minister's attention. I am about to ask some serious questions. This means a contract has been signed and licenses have been issued by the United States government. In other words, the deal has been buttoned up and it is just a question of getting the warheads. Am I right in that? I think the Canadian people have a right to know these things.

Mr. Hellyer: Would the hon. gentleman mind telling me which agreement in particular he was referring to?

Mr. Kindt: Under the McMahon act, the United States atomic energy act, it is provided that a licence signed by the President or some high official in the United States government must be obtained and that the acceptance of nuclear warheads is subject to certain conditions. The President reserves the right to pull the trigger. Let us look at this situation in another way. Have the military authorities completed the signing of that declaration with the authorities in Washington?

Mr. Hellyer: I am not as familiar with the act mentioned by the hon. member as I might be, but I do know that the two steps which are required to take in connection with our North American defence arrangements, the Voodoo and the Bomarc, have been taken. The first was the general agreement which was signed in August, as was stated earlier this evening, and then there was the technical agreement which I believe was signed in October. These steps have been taken and all the technical requirements necessary to meet the provisions of the McMahon act are included in those two agreements.

Mr. Kindt: In other words, it is all buttoned up. Now, where does Canada stand, as far as its sovereignty is concerned, in the event of an atomic war? The people of Canada are asking about this and they are looking to the minister to give them this information. Where does our sovereignty rest, now that these declarations have been signed and nuclear warheads have been taken from the United States?

Mr. Hellyer: As far as the use of the weapons system is concerned, our sovereignty remains with us.

Mr. Kindt: I did not get that last.

[Mr. Hellyer.]

Mr. Hellyer: Sovereignty remains with us in respect to the use of the weapons system.

Mr. Kindt: All right. In other words, what the minister is saying is this. Let us approach it from another direction. The late President Kennedy sent a man to go around to the various NATO countries to obtain agreement on setting up committees on some kind of joint action before nuclear weapons were to be used, so that he as president would not have to shoulder the entire responsibility for making the decision. Those negotiations have been going on for some time. Could the minister tell the committee what progress has been made and where we stand with respect to that joint declaration, should we be faced with entering a nuclear war?

Mr. Hellyer: I think answers to most of the hon. gentleman's questions are included in reports of the special committee on defence. Since he is so interested in this subject perhaps he would find it worth while to read those reports and get the full background of information which is available in them.

Mr. Kindt: I know about that. It is all well and good for the minister to try to evade the issue, but the people of Canada are looking to him for a clear statement as to where our sovereignty lies in the present circumstances.

Mr. Hellyer: Mr. Chairman, I should like to take this opportunity to give an example to show where our sovereignty stands and I hope this will satisfy the hon. gentleman because—

Mr. Kindt: That is what I am asking for.

Mr. Hellyer: —at first I thought he was quite familiar with the McMahon act, but now there appears to be some area of misunderstanding. The following statement applies to the Bomarc system. First, custody: The exercise of custody is a United States air force responsibility. This includes control over access to the nuclear warheads and related classified materials.

Base security: The security of all base facilities, consistent with the custodial responsibility of the United States air force detachment commander, is assigned to the R.C.A.F. squadron commander. All security guards on the base are R.C.A.F. The United States air force have the only custodial personnel and control access to U.S.A.F. owned weapons or non-releasable materials.

Storage: The storage functions of the warheads will be performed jointly under the direction of the United States air force personnel. The storage requirement is in fact very small because the warheads will normally be mated to the missiles.

Maintenance: All maintenance functions on the warheads are the sole responsibility of United States personnel. Other maintenance responsibilities, that is, on missiles, launchers or shelters, are either an R.C.A.F. or joint responsibility.

Safety: The development, observance and enforcement of safety standards and procedures is a joint responsibility. Compliance with applicable Canadian laws and regulations on the one hand and United States nuclear safety rules on the other, is an absolute requirement.

Inspections: After all preliminary inspections have been completed and the warheads have been delivered further inspections will be carried out at prescribed intervals. As a matter of convenience, United States air force standards and procedures for these inspections are being adopted. However, any additional Canadian requirement can be included. Actual inspections will be conducted on a joint basis.

Authorization for use: In general terms the policy is that Bomarcs may be fired only when authorized by both governments and then only in accordance with procedures established by the commander in chief, NORAD, and approved by the appropriate Canadian and United States authorities. Specifically, in the Bomarc control circuitry at the SAGE direction centre there are two locked switches, both of which must be turned "on" before a Bomarc can be launched. The keys to these two switches are held at all times by a designated Canadian officer and a designated United States officer respectively.

Actions that must have been taken before the Bomarc can be fired are: First, the commander in chief, NORAD, must have been notified that the President of the United States has authorized the release of weapons from United States custody for use by Canadian forces assigned to NORAD. Second, the commander in chief, NORAD, must also have received authorization from the Prime Minister or his authorized representative to release weapon carriers for use by Canadian forces assigned to NORAD. Third, the United States custodial officer on duty in the SAGE direction centre must have received properly authenticated evidence that United States governmental release has been given. He would thereupon unlock the United States release switch.

Fourth, the designated Canadian officer on duty in the SAGE direction centre must also have received properly authenticated evidence that Canadian governmental release has been given. He would thereupon unlock the second release switch.

Fifth, at this point the weapon would be available for firing but still would not be fired until the SAGE sector commander had authorized the senior weapons director to commence using the Bomarcs against hostile targets.

So you can see that once the supreme political authorities have given authorization, a considerable sequence of events must occur before the weapon can be used. A number of people are involved and certain preconditions must exist. Then the two keys, one American and one Canadian, must be turned before a missile can be fired. This procedure, with its many checks and doublechecks, is designed to prevent missile firing by accident or malice or without the consent of both governments.

Mr. Kindt: Is there any estimate of the time interval between the decision of the political authorities of both governments and the actual firing?

Mr. Hellyer: None that I could give, and it would depend on a number of circumstances, including the proximity of the hostile aircraft.

Mr. Kindt: I thank the minister for having taken the time to give us these details. It is spelled out in the agreement between the two nations, is it, that the leaders of both governments must decide?

Mr. Hellyer: It is spelled out in the procedures.

Mr. Kindt: Is that binding on both nations?

Mr. Hellyer: Yes, it is.

Mr. Kindt: That is what we want to know. I want to thank the minister for having answered my questions and I shall turn the floor back to the chairman so that we can get on with the estimates.

Mr. Simpson: Mr. Chairman, there are one or two matters I should like to bring before the committee this evening in relation to the remarks the minister made yesterday and I also have one or two questions I should like to ask him. I had intended that my remarks would be mostly of a constituency nature in relation to the announcement of the withdrawal of all armed forces from Fort Churchill. However, keeping in mind the unjustified attack which I felt was made on the hon. member for Cape Breton North and Victoria yesterday merely for coming to the defence of his own constituency, I suppose I should make a few remarks on the general aspects of national defence.

I feel there is probably no better time than the closing days of this first session of the twenty sixth parliament to mention one or two of the issues which were current during

the last federal general election. While it is not my intention to rehash those issues I believe this would be a good time to put a few remarks with regard to them on the record. First of all, I am sure all Canadians realize by this time that the Liberal party perpetrated the greatest hoax that has ever been perpetrated in a general election when they created the myth that the former government had made certain commitments in regard to the acquisition of nuclear warheads. I feel that possibly the issue they raised in that regard in the campaign resulted in some of them being returned to the House of Commons. However, I also believe that as a result those Canadians who supported them must have expected that as soon as they took over the reins of office they would produce the evidence to show that the statements they had made were correct. But we all know what we have seen. Instead of producing any evidence the present government has built a sort of airtight capsule around what they say was the evidence of commitments. They set up a defence committee, but it was made quite apparent that the terms of reference of that committee would not include this question of commitment. In fact, there was a request made for copies of correspondence relating to these commitments, and some of the men who are sitting on the treasury benches made it quite clear that the correspondence concerning these commitments was regarded as classified and could not be given to the House of Commons. I believe I am justified in assuming that the people who supported these candidates are now wondering, if this information was so classified, how in heaven's name it was that practically every Liberal candidate in Canada seemed to know this commitment had been made. I am bringing this to the attention of the committee merely because during my own campaign I mentioned to my constituents that I thought the day was not too far removed when these charges would be proven to be the myth that they are.

There is one other minor issue of much the same nature that came up during the campaign. A great deal was made of it, and in fact some newspapers in Canada carried headlines relating to the charge made by the present Minister of National Defence to the effect that the former prime minister had given out confidential or classified information during a speech at Prince Albert. As I say, I am bringing this up now because headlines were created. It was not long before the former prime minister proved that this was not the case. The information he had given out at this meeting had been carried in publications in North America many months before. Here, we have a situation in which charges are being made that classified information was given out, and those charges are being made by a man who is now the Minister of National Defence. This person should be the last one to charge anyone with giving out classified information. As I say, it was a false charge, but if one turns to page 3425 of *Hansard* for February 4, 1963, he finds the present minister, then the hon. member for Trinity, when discussing some aspects of a trip the NATO delegation made to Europe, using these words:

> We were interviewed by the supreme allied commander of allied forces in Europe. We were briefed by Admiral Smeeton, deputy commander of the Atlantic fleet, by General Calmel deputy chief of staff of supreme allied headquarters...A number of questions have been asked as to what our commitments to NATO are. I realize that this information is presumably classified, but I could never understand why it was, so I am going to take the responsibility tonight of saying what they are.

Then, he went on to state the information which apparently was given to the NATO delegation. If one can judge by the words the minister used, it was classified information.

Mr. Hellyer: I wonder if the hon. member would just let me interrupt for a moment to correct that impression? I had been aware of the commitments from the time I was associate minister, and as a minister you are able to classify or declassify certain information. It was on that basis I took the responsibility for making these commitments known, as I believed they were known to everyone in the world, practically, except the Canadian people, and I thought it was time they were allowed to be in on that information. Since then, they have been referred to publicly in the special committee on defence.

Mr. Churchill: May I say, with regard to that, the minister as a minister is not entitled to disclose classified information which has been classified by NATO headquarters? We were given information of that nature in Paris just a few weeks ago, but we are not at liberty to disclose it.

Mr. Hellyer: That is my point, Mr. Chairman; it was not information which I had received over there. It was information which, in fact, had been available to me for many years and which I thought should be given to the public.

Mr. Simpson: I noted carefully the remarks of the minister at this time, Mr. Chairman, and I am merely putting this on the record because at that time we were led to believe this was information which should not have been given to the public. I am particularly concerned about the minister's remarks at that

time. He said he realized that this information was presumably classified, but he could never understand why it was. If you were to look up the word "presumably" I believe it would indicate he believed it to be classified.

Be that as it may, I felt I should like to get these two points on the record during these closing days of the first session of the twenty sixth parliament because I firmly believe these were two misrepresentations during the last election.

I should like to deal very briefly with the announcement which the minister made yesterday concerning the withdrawal of armed personnel from Fort Churchill. First of all, I should like to tell the minister it is my understanding that the people of Manitoba have been completely shocked by this news and for very good reasons. I noticed that the minister stated that the government was making this announcement at this time in order to give maximum notice to the personnel and allow for readjustment. This is a very worthy objective. I do not intend to indicate that any announcement was made previously outside of this house in relation to the closing of Fort Churchill, but I do feel it was common knowledge in the town of Churchill for many months, I believe as far back as October 14, that this might happen. At that time, as a result of numerous telephone calls and telegrams from Churchill concerning the rumour, I inquired of the minister who told me at that time that they had plans for the withdrawal of forces. However, quite a number of people must have known about it. I am wondering why it was not possible, if the government wished to give maximum notice to the people, to make this announcement in October instead of leaving it until now.

Mr. Knowles: It is ten thirty.

Mr. Churchill: We are prepared to go on for another half hour if the committee is agreeable, to see what we can do with these estimates.

Mr. Hellyer: This would be very much appreciated in the circumstances, if it is agreeable.

Mr. Knowles: Before we are asked to continue another half hour tonight, I think we should find out, if we can, whether or not we will conclude the debate on item 1. I do not think we gained anything by the extra half hour we sat last night, and I do not want a repeat performance of what we had then, but if we can complete the debate on item 1 in half an hour I would not object. I should like to make it clear that one member of this group, the hon. member for Port Arthur, wishes to speak.

Mr. Patterson: I would agree with what the hon. member for Winnipeg North Centre has said, if there is a possibility of getting through with the first item, but if the debate is to continue next week there is no point in it.

Mr. McIntosh: May I say a word on that. If we are on item 1 of the estimates as we have them before us, I would point out I notice a headline in the paper tonight, "Hellyer reveals massive slash in defence setup—more cuts coming." Could the minister provide us now with the revised estimates? I have all the estimates that are available, but there is nothing about any change in the estimates before us. How can we intelligently study these, if these are not the estimates we are going to be working on?

Mr. Hellyer: As I explained yesterday, referring to the cuts, they apply to the following year's estimates, and the reason the announcement was made yesterday was so that the affected people would have the maximum amount of notice in order to make the arrangements that are an inevitable consequence of the announcement. For that reason I would hope hon. gentlemen would agree to sit for a half hour and pass item 1 at least, and maybe even the balance, because the NATO ministerial meeting is coming up in a few days and I will be leaving next week to attend it.

Mr. Knowles: May I make a specific suggestion. To save this kind of argument, may I suggest we sit until eleven o'clock or until item 1 is passed, whichever comes first.

Mr. Churchill: I have another suggestion to make. We would have been prepared to pass all these estimates tonight had it not been for the unsatisfactory answer which the minister gave with regard to a question concerning the militia and the problem of civil defence. My alternative suggestion is that we now pass all the items, except item 1, and give the minister an opportunity to reconsider the situation, return to the house on an appropriate occasion and give us an explanation as to civil defence, which he has so seriously curtailed by his cutting down of the militia. That is the alternative proposal I put before the committee.

Mr. Knowles: My proposal was made first Mr. Chairman.

The Chairman: It is very difficult to ascertain what the desire of the committee is. There are two suggestions that have been made, one by the hon. member for Winnipeg North Centre and one by the hon. member for Winnipeg South Centre. Perhaps it might be easier to meet the requirements of the

first suggestion, the one made by the hon. member for Winnipeg North Centre, if that were the wish of the committee. That is the suggestion to sit until eleven o'clock or until item 1 has been passed. I am trying to ascertain the wish of the committee.

Mr. Churchill: The hon. member for Winnipeg North Centre might reconsider. I am suggesting we stand item 1 and pass the others, and then get the answer to the question which I have been asking. Otherwise I do not see it possible to pass item 1, and frankly I would like to get all these estimates through.

Mr. Patterson: If there is not any thought of completing the estimates tonight, and this is just a matter of postponing one and going on with all the others, I do not think there is any particular point in doing that. If we could have some assurance we could wind it up by eleven o'clock then I think everyone would be agreeable to that. Otherwise I do not think we could.

Mr. Hellyer: I think it seems to be the consensus that we could pass all or most of the items tonight. That would be very helpful and would be appreciated. I would hope we would proceed on that basis. In respect to the civil defence aspect, what I would undertake to do if the committee would agree to pass the estimates tonight, is to prepare an additional statement, to be considered by the house at the time the emergency measures organization estimates are before it, and then the question of civil defence can be discussed in greater detail in all its aspects.

Mr. Churchill: On the face of it, that sounds all right, except for the fact that the minister has to explain to the house why the militia is going to be so seriously curtailed; and the militia is concerned with the problem of civil defence. I suggest that item 1 be left open and that we pass the others.

Mr. Knowles: I find that the alternative suggestion made by my friend from the other side of Ellice avenue is not acceptable. The first item is for $3 million. All the other items which we are asked to pass without discussion would add up to $1,500,000,000.

Mr. Nesbitt: That is sophistry.

Mr. Knowles: I think it would be highly irresponsible to pass all these other items with no discussion of them.

Mr. Churchill: Nine twelfths of these estimates have already been appropriated under interim supply. What the hon. member is saying is just nonsense.

[The Chairman.]

The Chairman: May I suggest we allow the hon. member for Churchill to conclude his remarks.

Mr. Simpson: Thank you, Mr. Chairman, and I wish to thank the committee for allowing me to continue. Returning to the very surprising announcement of the withdrawal of army personnel from Fort Churchill I wish to say I am sure all the people at Churchill, and the people of Manitoba in general, would be very appreciative if a reconsideration were made. There are several points which I am going to bring out.

The hon. member for Calgary North brought out the point of the value that Churchill has been in relation to Arctic training, and I believe it could also be used for training in survival for R.C.A.F. and other personnel.

Due to the geographical makeup of our country I suggest that if we are going to develop it in the way it should be developed, we must decentralize in many ways. It is often very difficult to get industry to decentralize; but in regard to national defence this is something where the government alone has the power, and I feel the obligation, to decentralize as much as possible and assist in the development of the country.

At the townsite of Churchill, as members of the treasury benches probably know, the population have made their homes there entirely as a result of federal government establishments. For instance, the armed forces have the only hospital within several hundred miles. Therefore they have the only doctors and nurses in that area. I am mightily concerned for the health needs of the people of that area if the camp at Fort Churchill is closed, and possibly the hospital along with it. There are many other reasons for taking a second look at this. It may be that relatively the same work which is carried out at Churchill may continue to be carried out in some other more populated area of Canada. Therefore if this is going to be the case I think reconsideration should be given to the army camp at Churchill.

The minister mentioned that the rocket range would continue to operate. I wonder, could he enlighten the committee as to what type of agreement Canada has with the United States government in relation to the maintenance of that rocket base, in regard to the length of contract, and in general how long does the government feel this rocket range will continue to operate? With regard to the minister's announcement that this withdrawal would take place in 1964, my information from Churchill is to the effect that the withdrawal has been under way for some time and some 60 army personnel have been withdrawn and not replaced. Therefore I suppose

the withdrawal took place some time prior to the announcement the minister made in the house.

I would also like to know the intention of the government with relation to the operation of the marine terminal at Churchill, which was built at a cost of some $7 million. The instructions for the construction of this marine terminal were given by a former Liberal government and I would be interested to know whether it can be turned over to other government departments; in other words, will this marine terminal continue to be used? I was very pleased to hear the minister announce this evening that cadet units would not be affected by this announcement. I am wondering whether he would consider it possible if cuts are made in certain departments of the army, to allow these cadet units, such as the naval, air force and army cadets, to have greater use of armouries throughout the country.

The minister also said something about air search and rescue, I believe, in Prince Edward Island. I would be very interested to learn from him whether it is intended to curtail R.C.A.F. air search and rescue to any extent in western Canada. I do not think this question has yet been raised. If I can get answers from the minister to those questions, Mr. Chairman, and an assurance that some reconsideration will be given to the matter of the withdrawal of all army personnel from Churchill, I would greatly appreciate it and I am sure the people of Manitoba would also.

Mr. Hellyer: With respect to the rocket range, Mr. Chairman, it is anticipated that it will be kept open during the term of the agreement, which I think extends to 1965. It is likely that it will be continued beyond that, but possibly by a civilian agency, and this is something that will be subject to negotiation.

Mr. McIntosh: Mr. Chairman, I have only a very minor question to ask the minister and it relates to the proposition put forward by the hon. member for Winnipeg South Centre. I wonder whether the minister has the figures of the present militia in these 15 centres that I will name: Victoria, Vancouver, Edmonton, Calgary, Regina, Winnipeg, Hamilton, Toronto, Ottawa, Montreal, Quebec, Moncton, Halifax, Sydney, and Swift Current, Saskatchewan.

An hon. Member: How did that get in there?

Mr. McIntosh: My reason for asking for these figures is that I understand the minister said the present strength of the militia is somewhere in the neighbourhood of 51,000 men and the intention is to cut it down to 20,000 men.

Mr. Hellyer: Thirty thousand.

Mr. McIntosh: Thirty thousand—cut it down by 20,000 men. Our concern is, first of all, as to where this cut-back is going to take place. Will it take place in these centres, or in the rural areas? I am also concerned about the relationship of the militia to the civil defence role. That role has changed. The minister also said he had two choices to make, with which I do not agree. He said, first of all, he had the choice of cutting down the militia or giving our first-line troops adequate weapons. If this is what he bases his cut-back on, I would say it is a false premise, because there are many other choices. It is not necessary to go into them at the present time because I doubt very much if this discussion will be over by eleven o'clock tonight. We are concerned with the role of the militia. We are concerned with the program of civil defence and with the emergency measures organization. I think if the minister would clear up these points he would have no difficulty in getting his estimates through the house.

The Chairman: The hon. member for Port Arthur.

Mr. McIntosh: Would the minister answer my questions?

Mr. Hellyer: Mr. Chairman, I do not have the figures for those cities here. I will be glad to get them for my hon. friend, probably tomorrow, if he is still in the city.

Mr. McIntosh: I will be here.

Mr. Hellyer: As I have indicated, these cuts do not apply to the militia for this year's estimates; they apply to next year. The determination will be made by a commission of militiamen which will be put together for that purpose. They will take into account the various factors, including the role of the militia, and particularly civil survival and how this could best be carried out, and all of the other considerations. I am sure they will be able to arrive at a solution in respect of these matters.

Mr. Fisher: Mr. Chairman, I was waiting for the hon. member for Lotbiniere to make his speech. I understand he had a little homily to make about the soldiers of the Queen, and I was ready to prevent his having a go. My original plans have gone by the board in view of the late hour. I wanted to talk about two specific matters. I suppose I spent too much time on kitchen fatigue during the war to ever feel I should rise to a sort of

summit to approach defence problems from the heights from which the Minister of National Defence approaches them. I was going to confine my remarks to two things, the Bobcat and the educational program of the Department of National Defence. Instead of making a speech I will just ask the minister some questions.

I want to know how we could have such a dunderhead, clotted-up, stupid line of development with relation to the Bobcat. I use those adjectives of invective because I cannot conceive how any Department of National Defence or any Department of Defence Production with any integrity or any ability could manage to botch a program the way this program has been botched. You can go back through the years 1959, 1960 and before, and little statements were made, "We need another $1 million for the Bobcat", "We need another $600,000 for the Bobcat", "We need another $200,000 for the Bobcat development". Obviously either the army did not give a damn about that Bobcat, or the government did not give a damn about it, or Canadian Car and Foundry did not. The reason I am a little incensed about this is that our community at the lakehead was "suckered" on this deal: That is the word, "suckered". We were told four years ago that in 18 months the development program would be through and our factory would be considered as the place where the thing would go into production.

The Bobcat became a joke a long time ago in our community. We were under no illusions that anything was ever going to come of it. But the joke still exists. The minister has to give us some satisfactory explanation. He almost stood up here as though he was a hero when talking about cutting out the Bobcat. God, some hero. He has arrived well after the last act curtain has come down. How about it? How about knowing, Mr. Chairman, what is the real story on this ridiculous situation? I can remember that when Mr. Pearkes was the minister of national defence I went to knock at his door to speak to him about an important problem in my constituency. I went in. He was walking up and down. He said, "Fisher, I am just bogged down with problems—the damned Bobcat, the Bomarc, and so on. What do you want to see me about?" I said, "I have some ladies putting out washing on Monday mornings near the armouries at Port Arthur, and they want them to burn hard coal". I always remember his reaction. He said, "That's the kind of problem I like to deal with". And, by jove, they started burning hard coal. I wish some of these brains we have in the department had done something about the Bobcat. What a pitiful tale it has been throughout the years. I hear someone say it has not got a tail, but I want the t-a-l-e from the minister now.

Mr. Hellyer: It is a long, sad tale. To reduce it to one sentence it is: Two successive governments, treasury board, changes in ownership and problems of private management as well.

Mr. Fisher: Reduced to one sentence it is still not very satisfactory. What do we get out of all that money spent? What conclusions are we to draw about the military which can conceive a program like this and fumble it along? I want to ask the minister whether the army really felt any urgency about having that particular carrier. That is a direct question.

Mr. Hellyer: Yes, I would say categorically the army did have a feeling toward it and I think it still does. I think they realize now the only solution is the one we have taken. The concept was excellent. The failure was in the execution, and rather than point the finger at any one group it has to be summed up the way I summed it up in that sentence. It fell to a series of misfortunes.

The hon. member asked what lessons can be learned. One of the great lessons which can be learned from this experiment is that when you have a good idea, if the people concerned can push it through for all they are worth until it is completed in that way, there is some chance for success. But to string it out and procrastinate and spread the development over a longer period, for whatever reason, it almost inevitably winds up the way the Avro Arrow wound up or the Bobcat wound up. That is the lesson which has been learned.

Part of the problem is the system. The decision-making system is too slow and cumbersome; too many committees, too many reviews, some by people who do not have direct responsibility. A lesson can be learned in that respect too, I can assure my hon. friend. So far as possible we will push any developmental work which we undertake so as to get production started before the people who take away the same idea from us overtake us in their decision-making process and beat us to the finished product.

Mr. Fisher: Why should not some heads roll over this? A few years ago heads were threatening to roll over a five minute broadcast in the morning on the C.B.C. Here millions of dollars has been wasted. We have had this cumbersome procedure. Surely someone is responsible. Surely some minister, some politician, some senior administrative

officer is responsible for this haywire situation. Where was the great defence research board establishment during this time? I have gone through the estimates and seen the details of the big salaries paid these scientists. They have a library full of classified material. They put out a beautiful magazine called "The Canadian Army" and you get the impression our army is swimming in experts on almost every phase of modern gadgetry in war. Yet the minister says this is an unfortunate thing and shows a weakness. At least the Avro people got the thing in the air and it looked good. It makes a nice model on the mantle. I do not know why there has been no investigation, instead of running off to find some horses who are on the payroll at Camp Petawawa. We have spent millions of dollars and swaggered and blustered about our own Canadian vehicle, and look at the lamentable result. What a travesty of defence. I am glad I stayed mostly on kitchen fatigue, if that is the kind of thing our military men come up with. What an outfit.

Mr. Churchill: Do not condemn them all. That is a generalization.

Mr. Fisher: I know it is, but the hon. member has to admit it is a pretty ridiculous situation in regard to the Bobcat.

Mr. Churchill: Of course it is.

Mr. Fisher: The hon. member and I were of the same regiment and he remembers we wound up with a vehicle not designed for us, and it turned out very well. It was something thrown off by the Americans called the Staghound armoured car. The Canadian forces got it by luck and it turned out quite well. The minister has not given us any satisfaction in his announcement regarding the very relevant criticisms and analyses made by the Glassco commission of education establishments in the Department of National Defence. I am referring to the millions of dollars spent in the education of dependants overseas and in particular colleges. Tonight he comes along with a statement which flies in the face of what the Glassco commission says, and what is obvious from the statistics in relation to the cost of training an officer. He is going to cut down on the university training program for officers.

Mr. Hellyer: I think you have the two programs confused.

Mr. Fisher: Is the minister cutting down on Royal Roads and on C.M.R. and R.M.C.?

Mr. Hellyer: No. There are two training programs at universities, the C.O.T.C. and also the R.O.T.P. It is the C.O.T.C. we are cutting back on.

Mr. Fisher: As long as it is not the R.O.T.P. I think the minister should explain why he has not done anything about these educational costs and why he has gone in the face of the information on Royal Roads. One of the things which interests me is that in 1959 I had a letter from a person on the staff of Royal Roads giving exactly the same information and reaching the same conclusions. The Glassco commission reported that this junior college at Royal Roads is in effect redundant, and not only that but that it could never really be anything but a gross misconception of the university function because it is a junior college built up of a staff pushing for Ph.D's. The staff is very well qualified academically, yet does not live in an environment where they can exercise skill.

An hon. Member: Eleven o'clock.

Mr. Fisher: The hon. member says eleven o'clock. I want to ask the minister whether he would give us a fuller explanation as to why he did not accept the Glassco commission recommendations that something should be done, if necessary putting some of the responsibility for the cost on the parents. Second, how could he not move on the position of the high cost of the officer educated through the Royal Roads-C.M.R.-R.M.C. system, when the Glassco commission suggested that the R.O.T.P. produces as good an officer or as comparable an officer and much more cheaply?

Mr. Hellyer: This is a broad and comprehensive question and I should like to give time and thought to preparing a statement with regard to it. I should like to take the time between now and the presentation of next year's estimates, for which I shall be taking full responsibility, to prepare such a statement answering the hon. member in detail.

Mr. Fisher: I was given returns to two questions relating to the ability of French speaking as opposed to English speaking students. I have forgotten the numbers of the questions. I am not satisfied from these returns that the French speaking students are getting a fair deal. In brief, I think their failure rate is too high. Attrition from other causes is too high. I am still staggered by the fact that though, in the main, English speaking students at C.M.R. outnumber the French speaking students I should like the minister, when he is conducting this review and trying to develop an approach to the educational commitments of the department, to consider, if we are making an effort to have French

speaking officers, whether it is not necessary for us to get better results than we have been getting. If necessary, we must spend a lot more time and effort in doing so. I would prefer to spend more money in this field than to carry on with Royal Roads out in British Columbia, which in a sense, appears to be an unnecessary adjunct to the military college at Kingston.

The Chairman: Shall clause 1 carry?

Mr. Churchill: I am sorry. We are prepared to pass all the other items, but stand the first item. Let the minister come back and give us, after reflection, another report with regard to the militia and its relationship to civil defence.

Mr. MacNaught: I suggest we stand item 1 and call the other items.

The Chairman: Is that the wish of the committee?

Some hon. Members: Agreed.

Item 1 stands.

Royal Canadian Air Force—

35. Operation and maintenance, $523,121,000.

Some hon. Members: Eleven o'clock.

[*Translation*]

Mr. Choquette: Mr. Chairman, before item No. 35 is carried, may I ask the Minister of National Defence a very brief question—

[*Text*]

Mr. MacNaught: Put it on clause 1.

Item agreed to.

Defence research board—

45. Operation and maintenance, $25,416,000.

Mr. Knowles: We would like this item to stand. Perhaps we have done a good night's work.

The Chairman: Is it agreed we allow item 45 to stand and go on with the others?

Mr. Patterson: I think we have gone as far as we ought to go tonight. I know some would like to carry on, but they are the ones who have been taking a great deal of time during this debate. Therefore, I think we should call it eleven o'clock.

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Churchill: May I ask the acting leader of the house what the business will be for Monday?

Mr. MacNaught: On Monday, the first item of government business will be the resolution respecting the representation commissioner. If it passes and the bill is introduced, it is not proposed to proceed with the bill until the following Monday. The second item will be the resolution regarding finances of the C.N.R. and if it passes it is not proposed to proceed with the bill until the following week. The third item will be the bill respecting the emergency gold mining assistance. The fourth item will be the bill respecting the small businesses loans. The fifth item will be the bill respecting the Canadian world exhibition. The sixth item will be the bill regarding old age, blind persons and disability assistance. The seventh item will be the bill respecting the auditors of the C.N.R. The eighth item will be the bill respecting the currency, mint and exchange fund.

The same business will be continued on Tuesday in this order and, if it is completed, other items of legislation announced by the Prime Minister will be taken after consultation with representatives of the opposition.

It being eight minutes after eleven o'clock the house adjourned, without question put.

[The following items were passed in committee of supply this day:]

DEPARTMENT OF NATIONAL DEFENCE

Inspection services—

5. Operation and maintenance, $6,936,000.
10. Construction or acquisition of buildings, works, land and equipment, $200,000.

Royal Canadian Navy—

15. Operation and maintenance, $210,680,000.
20. Construction or acquisition of buildings, works, land and major equipment, $80,720,000.

Canadian Army—

25. Operation and maintenance, $386,579,000.
30. Construction or acquisition of buildings, works, land and major equipment, $58,275,000.

Royal Canadian Air Force—

35. Operation and maintenance, $523,121,000.
40. Construction or acquisition of buildings, works, land and major equipment, $168,679,000.

HOUSE OF COMMONS

Monday, December 9, 1963

The house met at 2.30 p.m.

COMMITTEES OF THE HOUSE

MINES, FORESTS AND WATERS

Second report of standing committee on mines, forests and waters—Mr. Godin.

MISCELLANEOUS PRIVATE BILLS

Thirteenth report of standing committee on miscellaneous private bills—Mr. Wahn.

DEBATES—CONCURRENCE IN SECOND REPORT

Mr. H. M. Batten (Humber-St. George's) presented the second report of the standing committee on debates, and moved that the report be concurred in.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

DAMAGE FROM CHANGES IN WATER LEVELS, LAKE TIMISKAMING

Question No. 1,027—**Mr. Peters:**

1. With the raising of the water level in lake Timiskaming, how many farmers and property owners received compensation for the change in the waterline?
2. How many property owners are still eligible for compensation?
3. How much compensation was paid by the federal government to property owners along the shores of lake Timiskaming as a result of high water damage between the years of 1950 to 1960 and 1960 to 1963?

Mr. Badanai: 1. One hundred and sixty property owners received compensation following the construction of this dam which was completed in 1911. All eligible claims were settled by 1922, and no payments have been made since.

2. None.

3. None.

*NATIONAL CAPITAL COMMISSION EXPROPRIATION, LEITRIM AREA

Question No. 1,493—**Mr. Winch:**

1. Has the national capital commission expropriated properties in the Leitrim area and, if so, on what basis was expropriation valuation based and, what prices have been paid on various properties in that area in accordance with their location?
2. How many owners have not accepted the expropriation figure and, what consideration is being given to hearing the owner's arguments without going through the expense of an appeal?
3. How many who have not accepted the expropriation value are veterans buying under the provisions of the Veterans' Land Act?
4. On expropriation of properties of veterans buying under the Veterans' Land Act, with an interest rate of 3.75%, is provision being made on a repurchase value at the same interest rate, or an additional allowance to compensate for any difference?
5. Will any department protect a veteran in this matter or make legal services available to the veteran?

Mr. Dupuis: The reply to this question is somewhat over a page in length and includes many names and lot references. Perhaps the house would be agreeable to it being taken as read and printed in *Hansard*.

Mr. Speaker: Is the house agreed?

Some hon. Members: Agreed.

[*Editor's Note: For text of reply see below:*]

1. Yes. Properties in the greenbelt within one half mile of the Leitrim public school which is assumed to be the centre of the Leitrim area which have been expropriated and settled by the national capital commission are listed below. Amounts of settlement were based on individual appraisals of each property. These appraisals used value to the owner to establish the amount and reflect the relative advantages and disadvantages of location.

West half of lot 14, concession V nil.

East half of Lot 15, concession IV

Name	Acreage	Price
R. Clarke	1.5	$19,000
H. G. Clarke	150.0	$150,000
E. Stewart	50.0	54,000

West half of lot 15, concession V

Name	Acreage	Price
K. P. Benson	.8	$33,000
C. N. Jordan	5.0	22,500
C. Whitmore	13.0	43,000
N. M. Ritchie	1.9	26,500

East half of lots 14 and 15, concession IV

Name	Acreage	Price
G. W. Kemp	117.5	$135,000

2. Within the aforesaid area, settlement has not yet been reached with one owner, Mr. Harold G. Clarke, for a small holding in the east half of lot 15, concession IV, consisting of four and a half acres, who was offered $31,300 in full settlement of his claim. For

some time the national capital commission's staff has been awaiting a decision from Mr. Clarke's solicitor as to whether the amount is satisfactory.

3. Nil.

4. Financial assistance made available to a veteran under part I of the Veterans' Land Act bears interest at the rate of 3½ per cent. Loans made under part III of the act bear interest at 5 per cent. When a property is expropriated, the veteran concerned may elect to have the director redisburse all or part of the compensation moneys for the purchase of a substitute property and continue his contract with the director on the said substitute property. If he does so elect, the same interest rate or rates apply as applied prior to expropriation.

5. Although legal services are not made available, the veterans land administration will provide assistance to a veteran in settlement negotiations to the extent of the administration's opinion, based on appraisal data, of the value of the property concerned.

REPORT ON WORLD FAIR

Question No. 1,622—**Mr. Fisher:**

1. Is it the government's intention to report on or before December 20, 1963, on the Montreal world fair (1967) as required by statute?
2. Are there any other requirements of the particular statute that have not been observed as of November 6, 1963?

Mr. Pearson: 1. Yes.

2. No.

CULTIVATED LAND, LONG PLAIN INDIAN RESERVE, MAN.

Question No. 1,626—**Mr. Enns:**

1. How many acres of land are there on the Long Plain Indian reserve in Manitoba?
2. How much of this is under cultivation and operated by (a) residents of the reserve (b) non-Indians off the reserve on lease?
3. (a) What are the terms of the lease (b) to which office are the moneys paid (c) do all the residents benefit from this arrangement?
4. Can residents on the reserve arrange to operate any portion of the land under cultivation for their own use?

Mr. Munro: There are two reserves by this name in the Portage la Prairie Indian agency, Manitoba, Long Plain Indian reserve No. 6 and Long Plain Sioux Indian reserve No. 6A. The following is the information as it applies to both reserves:

1. Long Plain Indian reserve No. 6, 7,745.25 acres; Long Plain Sioux Indian reserve No. 6A, 1,317.10 acres.

2. Long Plain Indian reserve No. 6, (a) area cultivated by Indians, 1,262 acres; (b) area cultivated by non-Indians on lease, 3,053 acres.

[Mr. Speaker.]

Long Plain Sioux Indian reserve No. 6A, (a) Area cultivated by Indians, 131 acres; (b) area cultivated by non-Indians on lease, 254 acres.

3. Long Plain Indian reserve No. 6, (a) seven leases, ¼ share of crop; one lease, ⅓ share of crop; one lease, cash rental of $1,000 per annum; (b) Portage la Prairie Indian agency office; (c) Yes.

Long Plain Sioux Indian reserve No. 6A, (a) three leases ¼ share of crop; two leases total cash rent of $188.50 per annum; (b) Portage la Prairie Indian agency office; (c) Yes.

4. Yes.

C.N.R. RESERVATIONS, CHARLOTTETOWN, P.E.I.

Question No. 1,644—**Mr. Macquarrie:**

1. Has the Canadian National Railways discontinued allotting sleeping car space on the Ocean Limited train No. 1 for reservations through its Charlottetown office and, if so, for what reason was such decision made?
2. Is it now necessary to reserve space on coach cars on this train and, if so, may such reservations be made at Charlottetown?

Mr. McIlraith: The management of Canadian National Railways advise as follows:

1. Yes. With the introduction of an expanded teletype network for passenger reservations, all space in sleeping cars is held by the reservation office at the station where such cars originate. This was done in the interest of providing the best possible service to the greatest number of customers.

2. Yes.

C.N.R. SEGREGATION OF INDIANS

Question No. 1,661—**Mr. Howard:**

Since January 1, 1960, has Canadian National Railways engaged in the practice of segregating native Indians in separate cars or particular sections of cars on its railway operation and, if so (a) upon what lines and during what times was this practice engaged in (b) is the practice still in effect and (c) what was the reason for such practice?

Mr. McIlraith: No.

PROMOTION OF SEASONAL EMPLOYEES

Question No. 1,707—**Mr. Bell:**

1. Is it the policy of the civil service commission to promote seasonal employees who are employed for specified periods under section 51 of the Civil Service Act in periods when such employees are not employed?
2. If so, is such a policy consistently followed in all competitions involving such classes of employees?
3. If not, when and under what conditions are such promotions made?

Mr. Pickersgill: I have been given the following answer by the civil service commission:

1. Where it is considered that qualified candidates might be found among seasonal

employees, it is the policy to admit such employees to competitions regardless of whether the competition is or is not held during a period in which they are required to perform their duties. A seasonal candidate, who was the successful candidate could be promoted during the period in which he was not required to perform his duties, as well as during the season in which he was employed, but the promotion in either case would be effective only from the date on which he assumed his new duties.

2. Yes.

3. Not applicable.

Note: The wording of the first part of the question has been discussed with Mr. Bell and it has been established that section 51 of the Civil Service Act is not applicable in the context of this question.

CHARLOTTETOWN, P.E.I. WHARF

Question No. 1,724—**Mr. Macquarrie:**

1. When is it expected to complete the construction of the new Department of Transport wharf at Charlottetown?
2. When will construction of the departmental buildings on the wharf commence?
3. Does the government contemplate constructing a new wharf for general commercial purposes?

Mr. Pickersgill: 1. Approximately May 31, 1964.

2. The requirements of the Department of Transport for the buildings on the new wharf at Charlottetown are now before the accommodations committee of the treasury board. As soon as authority is obtained, the plans can be drawn by the Department of Public Works and the work could be put in hand.

3. Not at the present time.

EXTENSION OF BONUS ON WINTER HOUSE CONSTRUCTION

Question No. 1,726—**Mr. Scott:**

1. Has the government received representations from groups and/or individuals requesting an extension of the qualifying period for completing winter-built houses under the $500 bonus program and, if so, who were the groups, and/or individuals, making such representations?
2. What was the government's response to such representations?

Mr. MacEachen: 1. Representations have been received from the national house builders association and a few individuals requesting an extension of the period for completing houses being constructed under the winter house building incentive program.

2. That, since the program is designed to increase employment in the house building industry in the winter months, the date for final completion of houses will remain at March 31, 1964.

Questions

REPAIRS TO SUPPLY VESSEL "NANOOK"

Question No. 1,742—**Mr. MacEwan:**

Have tenders been called for repairs to the northern supply vessel "Nanook" and, if so (a) what were the names of the various tenderers and the amounts of their tenders (b) to whom will the contract for the work be awarded?

Mr. McIlraith: Tenders due at 3 p.m. E.S.T. November 13, 1963, were called for repairs to C.C.G.S. *Nanook*. Tenders were received as follows: Ferguson Industries Ltd., Pictou, N.S., $88,173; Saint John Shipbuilding and Dry Dock Co., Ltd., East Saint John, N.B., $105,155; Halifax Shipyards, Halifax, N.S., $140,449.

No contract has been awarded as yet. Because of very extensive damage consideration is being given to whether the ship should be restored or modified for a different use.

ST. SYLVESTRE, QUE. RADAR STATION

Question No. 1,752—**Mr. Caouette:**

1. What was the cost to the Canadian government of (a) the construction and installation (b) the operation and maintenance, of the St. Sylvestre radar station for each year to date?
2. Since the establishment of this station, what was the total of the salaries paid (a) to persons of Quebec origin (b) to persons of origins of other provinces (c) to persons of foreign origin?
3. What. if any, was the amount of American aid?

[*Translation*]

Mr. Cardin: 1. (a) $2,196,000. (b) From 1954-55 to June 12, 1961, an average of $1,150,000 a year; from June 12, 1961, to date, an average of $1,670,000 a year.

2. From 1954-55 to June 12, 1961, an average of $280,000 a year; from June 12, 1961, to date, an average of $285,000 a year.

The records contain no information as to the various pay schedules of civilian employees mentioned in (a), (b) and (c). However, according to a recent report, out of 91 civilian employees at the St. Sylvestre station, 90 come from Quebec and one from New Brunswick.

3. Under the 1951 Pine Tree system agreement, total American aid was $14,900,000 as capital investment; and, from 1954-55 to June 12, 1961, an average of $710,000 a year for operation and maintenance. This last figure includes the $280,000 mentioned in reply to question 2 above.

[*Text*]

INCREASED MEDICAL TRAINING FACILITIES

Question No. 1,753—**Mr. Orlikow:**

Have consultations been carried out with the provinces for the purpose of reviewing training facilities in medical schools and in particular to (a) determine the extent of the need for increased medical training facilities (b) consider additional financial subsidies as an incentive to increase the

training facilities (c) institute long range planning for coping with the growing shortage of medical personnel in the years ahead?

Miss LaMarsh: A major study supported by the royal commission on health services was concerned with medical education. It is understood that the commission has received the report and will probably be commenting on its findings.

The importance of training arrangements for a great many of the health professions received consideration in briefs submitted to the royal commission. When the comments of the commission have been received on medical education, they will be thoroughly studied by the department.

MALE NURSES IN ARMED FORCES

Question No. 1,754—**Mr. Scott:**

Do the Canadian armed forces permit male nurses to enlist in said armed forces and, if not, for what reasons are they prohibited from enlisting?

Answer: Male registered nurses are not accepted for commissioning in the nursing branch of the Canadian forces medical service for administrative reasons which have been explained to the male nurses' committee of the registered nurses' association of Ontario. However, serving male personnel with the necessary technical and personal qualifications may progress to commissioned rank in the medical administrative field.

INFANT MORTALITY AMONG ESKIMOS AND INDIANS

Question No. 1,769—**Mr. Orlikow:**

What is the infant mortality rate (the number of deaths among each thousand babies born alive) among the Indian and Eskimo people in Canada?

Miss LaMarsh: Infant mortality per 1,000 live births during the past 3 years:

	1960	1961	1962
Indian	79.0	76.2	74.7
Eskimo	210	185	193

LIFE EXPECTANCY OF ESKIMOS AND INDIANS

Question No. 1,770—**Mr. Orlikow:**

What is the life expectancy at birth for males and females in Canada of Indian and Eskimo origin?

Miss LaMarsh: The data on Eskimos is not exact enough to permit a precise estimate of a true life expectancy index, but a rough estimate places it between 30 and 40 years, probably nearer 30 than 40.

An estimate based on mortality experience in 1961 and 1962 would place the life expectancy at birth of a female Indian at 57-59 years and a male Indian at 54-63 years.

[Mr. Orlikow.]

REVENUES FROM U.S. OIL INVESTMENTS IN CANADA

Question No. 1,785—**Mr. Latulippe:**

Does the federal government derive any benefit from American investments in the oil companies in Canada and, if so (a) in which provinces, and in what amounts for the last three years (b) what are the revenues from the properties involved (c) what were the American investments in oil properties or companies in Canada during the last five years?

[*Translation*]

Answer: (a) and (b). Data are not available in the form requested. The federal government derives benefits from United States investments in the oil companies established in Canada, just as it does from other companies in Canada, whether they are Canadian or foreign companies. (c) In the main, the book value of United States investments in the Canadian oil and gas industry increased from $2,063 million at the end of 1956 to $3,434 million at the end of 1961. That increase includes new capital of American origin as well as accrued profits of United States investors. The capital expenditures made by companies in question, in the country itself, can be financed also through depreciation and depletion allowances, and through capital obtained in Canada.

[*Text*]

STUDY OF AIR AND WATER POLLUTION

Question No. 1,792—**Mr. Latulippe:**

1. Are funds voted to the Department of National Health and Welfare for the study of air and water pollution in Canada and, if so, what is the amount of those funds and, how are they divided?
2. How many employees are working on this problem?
3. Does the department intend to complete such studies of this matter before long?
4. Is there any federal-provincial co-operation with regard to the study of this matter and, if so, what form does it take?

Miss LaMarsh: 1. Yes. Funds for the study of air and water pollution are provided in the 1963-64 estimates of the Department of National Health and Welfare. These studies involve the occupational health division, the public health engineering division and the sanitary bacteriology section of the laboratory of hygiene. Expenditures of approximately $85,000 relate to air pollution and $60,000 to water pollution.

2. Fourteen employees are working on air pollution studies, six engaged full time and eight part time. Twenty employees are working part time on water pollution studies.

3. Air and water pollution studies are continuing programs.

4. There is close federal-provincial co-operation in the organization, planning and conduct of air and water pollution studies.

Assistance is being provided by the federal government under the national health grants and, on request of the provinces, services of the Department of National Health and Welfare are made available for analysis and special projects to supplement provincial facilities.

CANADIAN RELATIONS WITH BOLIVIA

Question No. 1,795—**Mr. Latulippe:**

1. How many Canadian citizens are living in Bolivia at the present time?
2. What branch of the Canadian embassy in Bolivia deals with Canadian missionaries in that country?
3. What are the main commercial relations between Canada and Bolivia and what amounts have been involved in the last three years?
4. What Canadian companies own property in that country?
5. What is the approximate value of such properties?

[*Translation*]

Mr. Martin (Essex East): 1. There are approximately 100 Canadian citizens who reside in Bolivia at the moment, and whose names are written down on the registers of the Canadian embassy.

2. The Canadian ambassador in Peru is also accredited as Canadian ambassador in Bolivia; there is no branch of the Canadian embassy in Bolivia. At La Paz, it is the British embassy who supervises, at the local and immediate levels, the interests and the property of Canadian citizens, and naturally, of Canadian missionaries.

3. The commercial relations between Canada and Bolivia are regulated by the clause of the most favoured nation. This privilege has been granted by Canada by an order in council dated June 20, 1935.

The amounts involved in the last three years are as follows:

	Imports from Bolivia	Exports to Bolivia
1960	$ 433,000	$ 323,000
1961	883,000	353,000
1962	957,000	362,000

4. There are no official registers kept by the government and relating to Canadian investments in Bolivia, with the exception of confidential information.

5. (See 4).

[*Text*]

STEEL EXPORTS TO AMERICAN MOTORS CO.

Question No. 1,796—**Mr. Latulippe:**

1. Has Canada exported any steel to the American Motors Company since June, 1961 and, if so, how many tons and what was its value?
2. In what provinces did these exports originate?
3. What revenue has the government derived from these exports since 1961?

[*Translation*]

Answer: The information requested in questions 1, 2 and 3 cannot be supplied because in the Statistics Act, the section concerning secrecy prohibits the disclosure of information which would reveal details about an individual or a particular business.

[*Text*]

*LAST SHIPS OUT OF CHURCHILL

Question No. 1,798—**Mr. Diefenbaker:**

1. On what date this fall did the last ship leave the port of Churchill?
2. What were the names of the last five ships to depart, and the respective dates of sailing?
3. Did any of the said ships suffer ice or other damage and, if so, what are the particulars thereof?

Mr. Cantin: The national harbours board advises as follows:

1. October 20, 1963.

2. M.V. *Camellia,* October 5, 1963; M.V. *Sills,* October 5, 1963; M.V. *Meerdrecht,* October 8, 1963; M.V. *Warkworth,* October 12, 1963; M.V. *Deborah,* October 20, 1963.

3. No ice or other damage to the above named ships has been reported to government agencies.

*INCOME TAX LIABILITY ON AWARD TO NAZI VICTIM

Question No. 1,799—**Mr. Fairweather:**

Has the government reviewed the ruling of the income tax appeal board published on November 28, 1963 which held that an award of compensation to Phillip Koller, as a persecuted Jewish person, by the district board of compensation of West Germany is subject to Canadian income tax and, if so, is any legislative or other action contemplated to nullify the effect of said ruling?

Mr. Garland: By judgment rendered on September 11, 1963 the tax appeal board decided that the life annuity payable to Phillip Koller by the government of West Germany is properly subject to tax under the Income Tax Act. To exempt this type of annuity from tax would require an amendment to the legislation which would ordinarily be introduced by the Minister of Finance.

APPLICATIONS FOR INCREASED BROADCASTING POWER

Question No. 1,807—**Mr. Rideout:**

1. Did the letter of Messrs. Stewart, Jamieson and Ouimet, addressed to the Secretary of State and tabled in this house on October 1, 1963 have any bearing on applications for increases in broadcasting station power output?
2. Is the board of broadcast governors now hearing any applications for increase in power, the granting of which would result in wider broadcasting coverage and, if not, when will such applications be heard?
3. Will the Department of Transport at present accept applications for increases in broadcasting power and, if not, on what date will the department again accept such applications?

Mr. Pickersgill: 1. Yes. The recommendation regarding applications for television licences was intended to apply to applications for increases in power in so far as these would result in the extension of alternative television service.

2. No. Such applications would not be heard until after July 1, 1964.

3. While the department would not refuse applications for technical consideration it is not passing them on to the board of broadcast governors as there seems to be no object in doing this until such time as the board is once more prepared to hear them.

APPLICATION FOR GRANTS FOR COLD STORAGE WAREHOUSE, NORTHWESTERN QUEBEC

Question No. 1,809—**Mr. Laprise:**

Were applications received, during the present year, from the government of Quebec or other organizations for grants toward the construction of a cold storage warehouse in northwest Quebec?

Mr. Hays: No.

*C.B.C. SCHOLARSHIP GRANTS

Question No. 1,810—**Mr. Pigeon:**

1. Did the Canadian Broadcasting Corporation grant scholarships during 1963 to students who were the winners in such programs as "Affrontement de collèges" and, if so (a) what amount has been granted to date (b) what is the number of scholarships granted to date?

2. Were the provinces consulted before such scholarships were granted?

[*Translation*]

Mr. Dupuis: I am informed by the Canadian Broadcasting Corporation as follows:

1. The C.B.C. French television network carries an educational quiz program called F-MA in which teams of students representing classical colleges participate. Cash awards are given as prizes to competing teams to be used at the discretion of the student councils of colleges to provide scholarships for worthy students.

(a) and (b). From February 3, 1963, when the program started, to June 2, and from October 27 to December 1, 48 cash awards amounting to $11,450 have been given by the C.B.C. to competing teams.

2. No. The choice of the teams is made in close consultation with the Fédération des collèges classiques, which is a private organization.

[*Text*]

HEAVY WATER PLANT

Question No. 1,817—**Mr. Thompson:**

1. With reference to the proposed construction of a heavy water plant in Canada, what were the 5 points upon which the original tender proposals were to be predicated and did all of the four companies submitting proposals fulfil these requirements in their original submissions?

[Mr. Rideout.]

2. Which of the four companies originally submitting tenders prior to the closing date of May 31 proposed a combination heavy water-power plant?

3. Does the proposal of Deuterium of Canada Limited call for an integrated electric power and heavy water plant?

4. If so, which Nova Scotia utility company is involved in the production and distribution of this power?

5. How many tons of coal will be used by the plant per year?

6. Will the government subsidize all coal used in such a combined or single plant?

7. How much subsidy will the federal government pay on the coal?

8. Which company will supply the coal for this plant and receive the government subsidy?

9. Which engineering firm will design and build the plant for Deuterium of Canada Limited?

10. Has this engineering firm any experience in this field?

11. Have the types of plant and process they intend to use ever been used commercially to produce heavy water?

12. If the engineering firm has not had any experience and/or the process has never been used commercially, does Deuterium of Canada Limited know what it will cost to design, build and operate this plant?

13. What price per pound of heavy water did the respective bidders submit in their May 13 proposals?

14. What price has been agreed to in the final arrangement with Deuterium of Canada Limited?

Answer: 1. (A) The five points are:

(1) A.E.C.L. would make available by way of licence to any applicant the proposal of which was to be accepted Canadian patent No. 574293, issued on the 2nd day of April, 1959, relating to heavy water manufacture, on a royalty free basis to 1st June, 1970, but subject to the payment of a royalty of 2 per cent of sales price thereafter.

(2) Heavy water would be required to be produced in such quantity as to guarantee a supply of not less than 200 tons per year for a period of five years dating from the commencement of delivery, the first complete lot of 200 tons to be available for delivery on or before the 31st day of March, 1966.

(3) A.E.C.L. shall have the first option to purchase any part or all of the first 1,000 tons of heavy water produced, such option to be exercised from time to time as and when heavy water becomes available for delivery.

(4) The price per pound of heavy water that would apply for the first five years of production must be quoted f.o.b. plant in Canadian funds. A price of not more than $22 per pound would apply to all deliveries during the aforesaid five year period. In assessing proposals, the price or prices quoted will be an important factor in any decision that may be reached; no proposal to which a price in excess of $22 per pound is incidental will be considered.

(5) In addition to the price factor, the degree of Canadian participation in any such project

will have an important bearing on any decision reached by the government. Each proposal must, therefore, contain details disclosing

(a) in the event the applicant is

(i) an individual, the full name and address of such individual, his nationality and, if not a natural born Canadian citizen, his country of origin and the name, (if other than his own), under which he carries on business;

(ii) a partnership, the name under which the partnership carries on business, the full names and addresses, the nationality and, if not a natural born Canadian citizen, the country of origin of all partners; or

(iii) a corporation, and if it is contemplated that the applicant, if not a corporation, will form a corporation for the purposes of the project, the head office of the corporation or projected corporation, the laws under which it was or would be incorporated, and the extent of Canadian participation in the capital structure and direction thereof;

(b) the sources of capital to which the applicant has immediate or potential access;

(c) the degree of Canadian content in terms of labour and materials that would be incidental to the construction and operation of the plant and facilities incidental thereto;

(d) the contemplated location of the plant;

(e) the size of the plant, in terms of output, including information with regard to any increase in size contemplated in the foreseeable future; and

(f) the source of energy for the operation of the plant.

(B) No.

2. Dynamic Power Corporation specified the use of a combination heavy waterpower plant. Deuterium of Canada Limited and Western Deuterium Limited contemplated the possibility of using a combination heavy waterpower plant.

3. See 2. It is understood that the Nova Scotia power commission has undertaken to arrange for the supply of steam to Deuterium Canada Limited.

4. See answer to 3.

5. It is understood that approximately 106,000 tons per annum will be used to generate the steam for heavy water production.

6. A residual fuel oil equalization payment could be payable under P.C. 1963-957 for all coal used in the power plant.

7. The residual fuel oil equalization payment will depend on (a) application being made, and (b) the rate would be approximately 90 cents per ton of coal under present conditions.

8. Not known.

9. Not known. Burns and Roe Inc. did the engineering submitted in the proposal.

10. Yes.

11. Yes, such a type of plant has produced heavy water in commercial quantities, but improvements are contemplated.

12. N/A.

13. In the case of two proposals the bids quoted were qualified by conditions that rendered it impossible to calculate the net price. The lowest price that met the conditions of the invitation, namely, $20.50 per pound, being the price quoted by Deuterium of Canada Limited, has already been made known.

14. $20.50 per pound.

QUESTIONS PASSED AS ORDERS FOR RETURNS

YUKON TERRITORY—CONTRACTS FOR BUILDINGS, SERVICES, ETC.

Question No. 1,237—**Mr. Nielsen:**

With respect to the operations of the Department of Public Works in the Yukon Territory since April 8, 1963 (i) how many contracts have been entered into by the Department of Public Works with any person, firm, or corporation, for the construction of public works, the performance of services, the supply of goods, or the acquisition of buildings, or works by the government, any agency thereof, or, any crown corporation (ii) to which persons, firms, or corporations were such contracts awarded (iii) in the case of each contract, what was the contract price or cost (iv) in the case of each contract, was there a public tender called (v) in the case of any of such contracts where there were no public tenders called, why were such tenders not called (vi) in the case of any such contracts for which no public tenders were called, to which person, firm or corporation were the contracts awarded (vii) in the case of any such contracts where there were no public tenders called, by what authority were the same awarded (viii) in the case of any such contracts, did any of them remain incompleted and, if so, what was the reason (ix) in the case of any such contracts which have not been completed, is it the intention of the government to have the same completed and, if so, by whom (x) in the case of any such contracts which remain incomplete and which the government intends to have completed, what will be the additional cost of completion, if any, in each case?

Return tabled.

UNEMPLOYMENT INSURANCE COMMISSION BOARDS OF REFEREES

Question No. 1,803—**Mr. Barnett:**

1. How many boards of referees, as established by the unemployment insurance commission, are in existence in Canada?

2. In what city or locality does each of these boards of referees have its headquarters?

3. Over what geographic area does each of these boards of referees exercise jurisdiction?

4. What remuneration is currently being paid (a) to chairmen (b) to other members of boards of referees?

5. During each of the last three fiscal years, what was the cost of operation of each of the boards of referees in Canada?

Return tabled.

Inquiries of the Ministry

HISTORIC SITES AND MONUMENTS

ACQUISITION OF HOME OF SIR JOHN A. MACDONALD

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, in the absence of the hon. member for Prince Edward-Lennox (Mr. Alkenbrack) who is most interested in this question, and in view of the urgency of inquiry being made, I would like to ask the Acting Prime Minister, since the home of Sir John Macdonald at Kingston is now for sale, whether the government would consider taking action to secure this home as a national memorial, where Canadians could do honour to one of the great architects of confederation.

Hon. Lionel Chevrier (Acting Prime Minister): Mr. Speaker, I think the question the right hon. gentleman has put is a reasonable one which should be given consideration by the government, and it is one which I shall ask my colleague the minister of northern affairs to give his attention to at once. I shall also draw it to the Prime Minister's attention as soon as he returns.

SUGAR

REPORTED INTENTION OF B.C. COMPANY TO FREEZE PRICES AT PEAK

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Minister of Justice. I wonder whether he noted in this morning's paper the report of the B.C. Sugar Refining Co. Ltd. who, in their annual report, show a net profit of $2,780,000, which is an increase of $591,000 over the previous year. In this report the president of the company also says it is the intention of his company to freeze sugar prices as of October 18 which, if I recall correctly, was when they were at their peak.

I believe the restrictive trade practices branch was going to look into the question of sugar prices to see if there was any collusion about price fixing. Will the minister undertake to have this matter gone into at the same time?

Hon. Lionel Chevrier (Minister of Justice): Yes, Mr. Speaker. I have not had the report to which the hon. member refers brought to my attention until now, but I shall draw it to the attention of the director of research in the combines investigation branch.

Mr. Douglas: As a supplementary question, how soon does the minister expect to be able to make some statement as a result of the investigation of the restrictive trade practices branch into this whole question of sugar prices?

[Mr. Barnett.]

Mr. Chevrier: There are two ways in which this can be done. I have not disposed of my estimates yet. The house has not been too generous with item No. 1, although I must say hon. members were very kind in their reception of the statement on security. The other manner in which it could be disposed of is by a report but, as my hon. friend knows, no information is made public until such time as a report has been made, and I shall have to ascertain from the director whether a report is about to be issued or not.

POWER

COLUMBIA RIVER—INQUIRY AS TO PROGRESS OF NEGOTIATIONS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Secretary of State for External Affairs. Would the minister mind informing the house what progress he is making with respect to the sale of the Columbia river to the United States?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I presume what the hon. gentleman had in mind was what progress was being made in the discussions which have to do with the Columbia river treaty project. These discussions began this morning. They will be resumed at 3.30 p.m. and will be continued later in the day, and perhaps tomorrow.

TRANS-CANADA AIR LINES

POSSIBLE LEGAL ACTION AGAINST PRESIDENT BY SUD AVIATION

On the orders of the day:

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I should like to put a question to the Minister of Justice. In view of the fact that Sud Aviation will probably sue the president of T.C.A., does the minister intend to take the necessary steps to prevent T.C.A. from being sued jointly and severally?

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, like my hon. friend, I listened very closely to the announcement which was made on the radio this morning concerning the possibility of a lawsuit. However, before I do anything, I shall wait to see how things turn out because the hon. member's question is highly hypothetical.

Mr. Gregoire: Mr. Speaker, I have a supplementary question. I asked the Minister of Justice more particularly whether he intended to take the necessary steps to

prevent T.C.A. from being sued jointly and severally, if such legal action were taken?

[*Text*]

Mr. Speaker: Order. This question is hypothetical.

Mr. R. W. Prittie (Burnaby-Richmond): A supplementary question, Mr. Speaker. Does the Minister of Justice think the hon. member for Lapointe should be included in the action for having provoked these outbursts?

[*Translation*]

Mr. Gregoire: Mr. Speaker, my question is not hypothetical. It is just that I would not want T.C.A. to be involved, if such legal action were taken.

[*Text*]

Mr. Speaker: Order. I said the question was hypothetical; and if it was not hypothetical, it was certainly largely imaginary as of the moment.

[*Later:*]

[*Translation*]

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, I should like to direct a question to the Minister of Transport, but in his absence I shall put it to the Acting Prime Minister.

Following the statements of Mr. McGregor, president of T.C.A., to the effect that he would no longer submit plans for the purchase of aircraft for government approval, can the Acting Prime Minister assure the house that this same Mr. McGregor will no longer ask parliament to make up the deficits of T.C.A.?

Hon. Lionel Chevrier (Acting Prime Minister): Mr. Speaker, I think that a somewhat similar question was put to the Prime Minister last week and he replied at that time that he would like to read the report of the sessional committee on railways, air lines and shipping before making a statement in this connection. Personally, I have nothing to add to that statement.

[*Text*]

REQUEST FOR APPOINTMENT OF FRENCH SPEAKING DIRECTORS

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I would like to direct my question to the Acting Prime Minister. Is it the intention of the government to rectify the situation which prevails at T.C.A. and to suggest the appointment of some French speaking directors, since there are none at the present time?

Hon. Lionel Chevrier (Acting Prime Minister): Mr. Speaker, I thank the hon. member for Joliette-L'Assomption-Montcalm for having asked that question. The government will consider that matter in due course.

Mr. Pigeon: Mr. Speaker, I have a supplementary question. In view of the false statements made by Mr. McGregor, president of T.C.A., with respect to the Caravelle, is it the intention of the government to suspend the president of that company, who contributes to the deterioration of relations between France and Canada?

Mr. Chevrier: Mr. Speaker, I believe that that question is definitely out of order, as it contains in its preamble words and epithets which are contrary to the standing orders.

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I should like to ask a supplementary question. I would like to know what the Acting Prime Minister means by in due course? When he says that he will consider the appointment of the French speaking directors in due course, what does he mean by that?

Mr. Chevrier: These words are clear and precise and I am quite sure that my hon. friend understands their meaning.

Mr. Gregoire: That is a loophole.

[*Text*]

EXTERNAL AFFAIRS

INQUIRY AS TO CULTURAL AGREEMENT WITH RUSSIA

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I have a question I would like to ask the Secretary of State for External Affairs. It was announced over the week end that President Johnson of the United States has ordered an early start to be made in negotiations for a new Soviet-American cultural agreement. My question is, is Canada giving thought to making an early effort toward reaching a similar agreement?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I thank the hon. gentleman for giving me notice of his question. The government attaches importance to the cultural exchanges between Canada and the Soviet union on a basis of fair and reasonable reciprocity, and welcomes the progress which has already been made in this direction. The Canadian embassy in Moscow has been active in facilitating these exchanges. The question of further development of reciprocal exchanges is under study and the possibility of an agreement is not excluded. On the other hand, hon. members will appreciate that there are a number of implications, financial, administrative and other, which are receiving attention.

Inquiries of the Ministry

CUBA—APPEAL OF CANADIAN AGAINST SENTENCE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I hope the hon. gentleman will be less prolix in answering the question I am about to ask. Has the minister had any word from the government of Cuba relative to the appeal on behalf of the Canadian who was sentenced to 30 years imprisonment?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the appeal was disallowed and the government is giving this matter consideration. I have to see the Cuban ambassador later today.

Mr. Diefenbaker: On what date was the disallowance; is the minister in a position to say that?

Mr. Martin (Essex East): I think it was on Friday, Mr. Speaker. I am not sure; it was Thursday or Friday.

UNITED STATES—PROPER DESIGNATION OF CANADIAN PRIME MINISTER

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I have a question for the Secretary of State for External Affairs. What steps does he intend to take to inform the government of the United States that, for some years, we have had general elections in Canada, that the hon. member is himself Secretary of State for External Affairs and that the Prime Minister of Canada is the Right Hon. Lester B. Pearson?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I think that the facts upon which my hon. friend has based his question are very well known, not only to the officials of the United States' government, but by all Canadians as well. Actually, everybody knows that the present Prime Minister is the head of the Canadian government and that he has done much to maintain peace and encourage friendly relations between Canada and other countries.

[*Text*]

Hon. Paul Martineau (Pontiac-Temiscamingue): I wonder if the minister would inform Mr. Pierre Salinger of what he has just stated.

Mr. George Muir (Lisgar): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It has been partially answered in response to a previous question, but would he tell the house whether he would be willing to inform the President of the United States that the Prime Minister is not the foreign minister of Canada but is serving temporarily as its Prime Minister?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I welcome this question because it gives me the opportunity to say it was quite apparent two weeks ago when the Prime Minister was in Washington that the new President of the United States regarded him as a very important spokesman in matters which concern not only our two countries but the peace of the world, because the Prime Minister was the second head of government to be received by the new President.

BOLIVIA—POSITION OF CANADIANS HELD AS HOSTAGES

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. Can he give the house any information regarding the three Canadians who are allegedly being held as hostages by certain elements of the population in Bolivia?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, in answer to this question I may say that the British ambassador in Bolivia, with whom we have been in close touch, Canada not having a mission there, has confirmed the news reported by the press that a number of persons, including three Canadians and four United States citizens, have been forcibly detained by striking miners in Bolivia. Both the press and the ambassador have identified two of the Canadians as Raymond Brousseau and Aurele Falardeaux, both presumed to be from Kirkland Lake, Ontario. The name of James McNamee of Kingston, Ontario, has also been given in the press but this has not yet been confirmed by the British ambassador. Although it is not certain, there was a report from the British ambassador that Robert Morrison of Ottawa was detained, but a later report now says that he has been released.

It appears that some but not necessarily all of the 21 persons detained by the miners are being held as hostages in order to secure the release by the Bolivian government of two trade union leaders. We have asked the British ambassador to call again on the Bolivian government with instructions to make strong representations to that government to ensure the safety and the release of the Canadians.

Our ambassador in Peru, who is also accredited to Bolivia, is going to La Paz tomorrow morning, the earliest time he can reach that city, and he will of course do everything possible to help the Canadians who have been detained.

TRADE

WHEAT—LOSS RESULTING FROM CONTAMINATED SHIPMENTS

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I would like to address a question to the Minister of Trade and Commerce and ask him what the current situation is with regard to the contamination found in several cargoes of Canadian wheat. I would also ask him whether these can be cleaned. If not, will the loss be charged to the Canadian wheat board fund, or who will suffer this loss?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, there have been no claims against the Canadian wheat board by any of the recipients of this grain. My colleague the Minister of Transport has been in charge of a thorough inquiry into the causes of the glass being found in the grain. It would be possible for the Minister of Transport to make a statement when he returns on Thursday. I could also make a statement, if the hon. gentleman would like to have it, before that time.

TRANSPORT

NORTH SYDNEY-NEWFOUNDLAND—MAINLAND FERRY TERMINAL

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, I have a question for the Minister of Transport, but in his absence may I direct it to the acting minister.

Mr. Pickersgill: I am the acting minister.

Mr. Muir (Cape Breton North and Victoria): Is the acting minister in a position today to inform the house which mainland port this government is going to designate for the new proposed ferry to Argentia, Newfoundland? As the Secretary of State is the acting minister, I am sure he will have a very good answer for us today since he is from the Atlantic provinces.

Hon. J. W. Pickersgill (Acting Minister of Transport): Mr. Speaker, I do not think a definitive reply can be made until the Minister of Transport is back in his place.

NATIONAL DEFENCE

DISPOSITION OF BUILDINGS AND PROPERTY AT H.M.C.S. "PREVOST", LONDON, ONT.

On the orders of the day:

Mr. Jack A. Irvine (London): Mr. Speaker, may I direct a question to the Minister of National Defence. What disposition is to be made of buildings and property to be closed out by the Department of National Defence, particularly H.M.C.S. *Prevost*, London? Are they to be declared surplus and sold?

Mr. Speaker: That is a question for the order paper.

POLICY STATEMENTS BY MEMBERS OF ARMED FORCES

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the Minister of National Defence. It has reference to the appearance last Friday of Group Captain Lee, who I believe is the minister's public relations officer, on a national television network. In view of this appearance can the minister say whether it is government policy to permit serving officers or men to state or explain government policy announcements?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, it was not a national network but rather just a local network, and he was explaining the effect of the changes on this immediate area. In view of the pressures of the day and as Group Captain Lee is associated with my office, I authorized him to make that statement on my behalf.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question along the same lines, Mr. Speaker. Has the minister's attention been drawn to the article which appeared on the front page of Saturday's Ottawa *Citizen* quoting an informed source as giving information regarding certain intended reductions in defence expenditures? I am not objecting to the reductions in defence expenditures, but I want to ask the minister if this informed source is the same gentleman to whom reference has just been made. The article appears under the by-line of Mr. Dave McIntosh, and there have been similar articles in the past which have turned out to be very accurate. Are these statements coming from this gentleman in the defence minister's office?

Mr. Hellyer: Mr. Speaker, that would not be the same source, because that one was not very well informed. As I indicated in my statement to the house, there are some adjustments which will be announced following consultation, but they are minor adjustments. This particular story is a very great exaggeration of anything that would be contemplated.

Mr. Nielsen: A supplementary question, Mr. Speaker. In view of the minister's reply, could he inform the house whether government policy with respect to serving members of the forces has now been changed so that they can explain or state government policy?

Mr. Hellyer: There has never been any prohibition since this government took office against service officers explaining matters of detail having to do with service requirements.

Mr. Donald MacInnis (Cape Breton South): A further supplementary question, Mr. Speaker. Is the Minister of National Defence, of all ministers, not aware of the restrictions placed on serving officers by their own rules and regulations?

[*Later:*]

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to ask the Minister of National Defence whether it is now in order for any regular officers in the armed forces to make observations and public statements regarding matters that are controversial. I might also ask him if this Group Captain Lee, who was very recently a wing commander, is now public relations officer to the minister?

Mr. Hellyer: As I said earlier, Mr. Speaker, there has been no determination that serving officers are not to give to the public information of a factual nature having to do with their duties. I cannot say whether or not this was the practice under the previous administration, but I have some reason to believe it was not. However, it always has been since the change in government.

Group Captain Lee is a special assistant in my office, and in carrying out his duties he is often called upon to amplify statements of fact in respect of determined policy. What he was doing the other day was strictly in line with his duties.

Mr. Diefenbaker: Will he be interpreting for the minister? Will he be this silent source of certain information that goes to the press?

Mr. Hellyer: I resent the implication here. This is a job which is carried out in many departments and is necessary to the proper administration of the department in providing information to the various media, as well as conducting other office routine on behalf of the minister. It is a function which is carried out in all ministers' offices. I would not want the implication to be carried abroad that there was anything unusual in the carrying out of these duties by Group Captain Lee who, incidentally, carries out his duties well.

Mr. Diefenbaker: I simply ask the minister this. Can he point to one example, under the British parliamentary system, where a serving officer becomes an interpreter for a minister?

Mr. Douglas: May I ask a supplementary question?

[Mr. Nielsen.]

Mr. Woolliams: Let him answer that one.

Mr. MacInnis: May I ask the minister if he is aware of the fact that in the defence committee when questions are put to serving officers which touch upon matters of policy, the serving officers will not attempt an answer?

Mr. Hellyer: Mr. Speaker, I think if you will examine the evidence given before this special committee on defence by the chiefs of the three services, you will find that there are rare occasions when there was any interference in respect of answering questions, and then only when they related to matters of unresolved government policy when the minister, who has the responsibility, took over the questions.

Mr. T. C. Douglas (Burnaby-Coquitlam): May I ask a supplementary question. Would the minister agree that the functions of such an officer are certainly not to announce any reductions in expenditures, which ought to be done by the minister in this house?

Mr. Hellyer: Quite so; and none was, I can assure you.

Mr. Nielsen: I have a further question to the Minister of National Defence. I wonder if the minister could inform the house whether Group Captain Lee is paid by the government, by the air force, or by the minister? Will the minister, when he answers, say whether Group Captain Lee is still a serving officer or a politician's aide?

Mr. Hellyer: Mr. Speaker, I object to this question, to the manner in which it was put forward. Group Captain Lee is paid by the Royal Canadian Air Force and his pay, like the pay of all other personnel, civilian or service, in the department, comes out of departmental appropriations. I might say, for my hon. friend's benefit, that this is not a precedent. The previous minister of national defence had a special assistant, Lieutenant Colonel Christian, who was seconded to the minister's office. There have also been precedents for serving officers making statements. When the previous administration was in office Vice Admiral Brock went on television to explain certain developments, and I think it should be set clear nothing we have done in recent times is in any way a precedent which is not in accordance with parliamentary principles and practices.

Mr. MacInnis: Mr. Speaker, a question for the Minister of National Defence. At future meetings of the defence committee will it be the prerogative of the defence committee members to insist upon an answer from any witness that may appear—

Some hon. Members: Order paper.

Mr. Byrne: Mr. Speaker, I submit that this is a hypothetical question dealing with questions committee members might be asking.

Mr. Speaker: The hon. member was half way through his question, and I was waiting for the whole question to decide whether it was in order.

Mr. MacInnis: I was waiting for a little order so I could make myself heard. The hon. member for Kootenay East rose to his feet, again without recognition from the Chair, which is a habit on that side. My question to the minister was this. At future meetings of the defence committee will members of that committee be in a position to insist upon an answer from any witnesses appearing, when they make the statement that they do not want to answer because it is a matter of policy?

Mr. Hellyer: Mr. Speaker, it would depend on the witness. If he was a serving officer he would be required to answer questions of fact.

ADOPTION OF RECOMMENDATIONS OF GLASSCO COMMISSION

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I should like to direct a question to the President of the Privy Council.

Since the Prime Minister made him responsible for the implementation of the Glassco commission report, could the President of the Privy Council inform the house whether he made recommendations to the Minister of National Defence regarding improvements to and even a reorganization of his department in order to cut down administration costs as it was done recently in other sections of that department? Did the President of the Privy Council make recommendations to the Minister of National Defence on that matter?

Hon. Maurice Lamontagne (President of the Privy Council): No, Mr. Speaker.

[*Text*]

FLIGHTS OF NUCLEAR ARMED U.S. PLANES OVER CANADA

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, may I put a question to the Minister of National Defence?

Can the minister tell the house whether U.S. bombers equipped with nuclear weapons are authorized to fly over Canadian territory and to use Canadian bases?

[*Text*]

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, there are intergovernmental agreements in respect to the use of Canadian air space by United States aircraft. If the hon. gentleman is referring specifically to the strategic air command, they do fly certain flights over Canadian air space from time to time by authority of the Canadian government.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, it has always been my understanding that even under that agreement they have to have prior permission from Canada for all individual flights.

Mr. Hellyer: That is correct. Every individual flight is cleared on a daily basis.

ADMINISTRATION OF JUSTICE

HAL BANKS—ABSENCE FROM COUNTRY WHILE ON BAIL

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): I should like to address a question to the Minister of Justice. Some two weeks ago the hon. gentleman's parliamentary secretary said a report would be made with reference to Banks leaving the jurisdiction while on bail. Could we be graced by that report now? Further, when will Banks be brought to trial?

Hon. Lionel Chevrier (Minister of Justice): As to the last part of the question, the hon. member probably knows that counsel appeared before the judge in Montreal and a date for the trial was fixed. I do not have the date in my memory now, but I believe it is some time early this month. As far as the first part of the question is concerned, I will have to make inquiries.

QUEBEC—ALLEGED MISCARRIAGE IN COFFIN CASE

On the orders of the day:

[*Translation*]

Mr. Gerard Girouard (Labelle): Mr. Speaker, I should like to ask the Minister of Justice a question.

Since the charges made by Jacques Hebert concerning the Coffin case do not concern only the administration of justice, as the minister indicated last week, but also concern directly the criminal law; in short, since that charge is laid against an indictment based on circumstantial evidence, does not the minister think that his department should make its own investigation in order to give reassurance to the Canadian people with regard to the conclusiveness of well-founded circumstantial evidence? I might add that this seems to be the opinion in the broad legal circles in which I move.

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, the hon. member is to be congratulated for moving in such broad legal

circles. However, I have to tell him that I have nothing to add to the answer I gave last week concerning this case, because everything that happened in the past, both in the procedures and at the trial, took place under provincial jurisdiction. Although the Criminal Code is enacted and approved by this house, the fact remains that the matter, as far as the administration of justice is concerned, comes under the provinces.

However, I might add that Mr. Hebert has been kind enough to send me a copy of his book and I have asked officers of my department to be good enough to read it—as a matter of fact, I am reading it myself—and to please bring to my attention any aspect of this matter which could come under federal jurisdiction. When I get that report, I shall take this question into consideration.

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I should like to ask a supplementary question on this matter, precisely the question I asked the other day in the absence of the Minister of Justice.

Since a crown corporation which is responsible to the federal government—the C.B.C.—undertook a public investigation of the Coffin case on television, is the Minister of Justice of the opinion that this corporation should have the help of experts and officers of his department?

Mr. Chevrier: Mr. Speaker, I think this does not change at all the answer I have just given, because if this crown corporation decides by itself to present a program on television, it is its business and the government has no reason to interfere with the internal operations of this corporation as it was announced on many occasions by the Secretary of State.

[*Text*]

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Gene Rheaume (Northwest Territories): I wish to direct a question to the Acting Prime Minister. In view of the endorsation by the Prime Minister of a certain book over the week end, could the hon. gentleman tell the house by how much this publication was subsidized by the Liberal party of Canada?

LABOUR CONDITIONS

REQUEST FOR GOVERNMENT'S PLANS RESPECTING FULL EMPLOYMENT

On the orders of the day:

Mr. Lawrence E. Kindt (Macleod): In the light of the declaration by the leader of the Social Credit party last Thursday that he and his group would support the government on condition that plans to promote full employment for all Canadians were put into effect, will the Acting Prime Minister now inform the house of the government's plans for full employment and tell us when they will be placed before parliament?

Hon. Lionel Chevrier (Acting Prime Minister): I think the answer to that question is clear. All one has to do is look at the things which have been done by the government thus far and compare this with the present economic activity of the country so as to ascertain what has been done by the government in this respect.

Mr. Kindt: A supplementary question. Were the remarks of the Acting Prime Minister based on employment figures as given by the dominion bureau of statistics, and was his comparison made in relation to former periods comparable with the present period?

Mr. Chevrier: Although this is a matter of debate, I do not hesitate to tell the hon. member that first of all it has to do with the gross national product, which is on the increase as my hon. friend should know—

Mr. Nielsen: Less than last year.

Mr. Chevrier: —and also with the unemployment figures, which show an improvement compared with the same period last year.

BUSINESS OF THE HOUSE

REQUEST FOR ANSWER TO QUESTION ON ORDER PAPER

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct a question to the Minister of Transport, but in his absence I will direct it to his parliamentary secretary. I refer to question No. 1,705 on the order paper, which was placed there on November 19 last. This is the type of information that could probably be obtained in a few minutes, and since there is a hearing before the board of transport commissioners in this matter very shortly I should like to get the information as soon as possible.

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I will take the question as notice.

UNITED NATIONS

SOUTH AFRICA—CANADIAN REACTION TO PROPOSED EMBARGO

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): I should like to direct a question to the Secretary of State for External Affairs and ask him if the government has imposed additional restrictions in respect of trade with South Africa

in keeping with the decision taken by the security council of the United Nations last week?

Hon. Paul Martin (Secretary of State for External Affairs): I have already dealt with this question. I announced an arms embargo in answer to directions of the security council last summer. With regard to the decision of the security council last week, I indicated on Thursday or thereabouts that the government would give consideration to the recommendation made by the security council pursuant to the Norwegian resolution.

PENITENTIARIES

ST. VINCENT DE PAUL—REQUEST FOR REPORT ON RIOTS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I should like to ask the Minister of Justice an important question which has remained unanswered for several months. Is the minister now in a position to inform the house whether the commissioner of penitentiaries has completed his investigation into the riots at St. Vincent de Paul and the reported attacks by guards on the alleged leaders of the riots? If so, will the minister make the report available to the house for consideration and discussion?

Hon. Lionel Chevrier (Minister of Justice): I have not seen the commissioner of penitentiaries for about a week. He is in western Canada, or was last week. I do not know what the position of the inquiry is, but just as soon as he returns I shall ask him and report to the house.

Mr. Winch: May I ask a supplementary question. Does it take over three months to make this investigation?

Mr. Chevrier: I am not familiar with the terms of the investigation, other than what I have already reported to the house in connection with another investigation, and I am not sure to which of these investigations my hon. friend is referring. If he is referring to the case which was tried in the Montreal court, I have already made a report on that matter. If he is referring to another investigation, I am afraid I shall have to inquire from the commissioner.

FINANCE

REPORTED STATEMENT BY HEALTH MINISTER RESPECTING INSURANCE COMPANIES

On the orders of the day:

Mr. R. R. Southam (Moose Mountain): May I direct a question to the Acting Prime Minister. In view of the statement made by the Minister of National Health and Welfare this past week end to a meeting of the Manitoba farm union that there was a possibility of some Canadian insurance companies going bankrupt, is the government investigating to see if this is a serious possibility?

Hon. Walter L. Gordon (Minister of Finance): Perhaps I might answer that question. The record of the Canadian insurance companies is one that Canadians can be proud of. There has been no suggestion that the policyholders of any Canadian company are in any danger whatever of losing their rights and benefits.

INDUSTRY

HEAVY WATER PLANT—PROVISION OF COAL AND POWER

On the orders of the day:

Mr. R. N. Thompson (Red Deer): I should like to direct a question to the Minister of Industry which arises out of a press dispatch dated December 7, which states that Seaboard Power Corporation, owned by the Dominion Steel and Coal Corporation, has been chosen to supply power for the heavy water plant close by. My question is, is Dominion Steel and Coal Corporation to be responsible for supplying both coal and the production of power for this heavy water project?

Hon. C. M. Drury (Minister of Industry): The final arrangements as to who is going to supply the coal and who finally will provide the steam have not yet been made. It is difficult, therefore, to give a categorical answer to the hon. member's question.

Mr. Thompson: May I ask a supplementary question. Would this be considered a mistaken bit of information that has been published in this Canadian Press dispatch?

Mr. Drury: Mr. Speaker, it will be mistaken or not, depending on how the final arrangements work out.

POST OFFICE DEPARTMENT

LONDON, ONT.—REPORTED REDUCTION IN PAY OF SEASONAL HELP

On the orders of the day:

Mr. Jack A. Irvine (London): I have an urgent question for the Postmaster General. I understand from representations made to me that the casual Christmas employees at the London post office have had their pay reduced from $1.43 to $1 per hour in the middle of their eight weeks of special employment. Would the Postmaster General inform me if this reduction in pay is general in all post offices in Canada, or just in this isolated instance?

Inquiries of the Ministry

[*Translation*]

Hon. Azellus Denis (Postmaster General): Mr. Speaker, I wish to thank the hon. member for telling me beforehand that he would ask that question.

In reply, I must say that temporary employees hired during the holidays in urban offices in Canada are paid as follows: sorting helper, $1 per hour; mailman's helper, $1.25 per hour; mail handling helper, $1.25 per hour. All other occasional help is still getting $1.43 per hour.

It may happen that some people work occasionally to replace regular employees who are absent and that their employment is terminated when the regular employees come back to work. If those people are subsequently hired to help during the Christmas season, they are paid according to the wage schedule I have just given.

[*Text*]

As far as the London employees referred to by the hon. member are concerned, the postmaster at London informs the department that seven persons who were employed as casuals at $1.43 per hour in November, replacing absent employees, were released because the absent employees returned to duty, and these seven people have now been offered re-employment as Christmas helpers at $1 per hour.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I would like to ask a very definite question of the Postmaster General because of the month we are now in, and I speak from experience of almost 30 years in opposition, 10 of them in this house. This being the month of December I would like to ask the Postmaster General, with regard to temporary appointments in the Post Office Department over the Christmas period, to whom do we, particularly in opposition, tell our applicants to apply for temporary work? Is it to the man who is named as the counsellor in my riding, the defeated Liberal candidate, or is it to the employment service?

Mr. Denis: Mr. Speaker, there are many ways to apply for positions at Christmas. First of all an applicant may go to the post office and apply. Second, he can seek work through the employment bureau, and there are also some members of parliament who recommend applicants. They can also write to the Postmaster General himself who will refer the names to the respective post offices. There are so many ways that I think the hon. member can rely on any one of them to recommend applicants.

Mr. Winch: Which is the speediest way for an opposition member to get results?

Mr. Denis: The speediest way, Mr. Speaker, is to ask for the job in September or October, not when it is too late.

Mr. Winch: I am speaking about three or five days of employment over the Christmas period. You say to apply in September?

Mr. Denis: Usually after the opening of the schools the students go right back to the post offices and file their applications. I am sure practically all of them are taken on with great pleasure.

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker may I ask the Postmaster General a supplementary question?

Would the minister not think that the N.E.S. is the best and sole place which should be used by the applicants for employment?

Mr. Denis: Mr. Speaker, precisely. We contacted all the N.E.S. offices and all the people who went there got a job, at least in Montreal.

[*Text*]

Mr. Gene Rheaume (Northwest Territories): I have a supplementary question for the Postmaster General. When he suggested hon. members have applicants write to him, what will his address be after Christmas?

REDISTRIBUTION

PROVISION FOR OFFICE OF REPRESENTATION COMMISSIONER AND READJUSTMENT OF REPRESENTATION

The house resumed, from Tuesday, December 3, consideration in committee of the following resolution—Mr. Pickersgill—Mr. Batten in the chair:

That it is expedient to introduce a measure respecting the office of representation commissioner and to define the duties of the commissioner under the said measure, in addition to those assigned to him under the Canada Elections Act and under a measure to provide for the establishment of electoral boundaries commissions to report upon the readjustment of the representation of the provinces in the House of Commons and to provide for the readjustment of such representation in accordance therewith; to provide for the salary and expenses of the commissioner; to provide for the appointment of a substitute commissioner and for the payment of his salary and expenses; to authorize the commissioner to appoint such officers and employees as are necessary for the conduct of his office and to engage on a temporary basis persons having technical or specialized knowledge of matters relating to the work of the commissioner; to increase the salary of the Chief Electoral Officer of Canada and to effect certain other changes in the Canada Elections Act consequential upon the said measure; and to provide for the payment out of the consolidated revenue fund under the authority of the said measure of all amounts required for the payment of salary and other expenses under the said measure and under the measure to provide

for the establishment of electoral boundaries commissions, including expenses of administration thereunder.

Mr. Diefenbaker: Is the minister going to say anything at this time?

Mr. Pickersgill: I think at the meeting of representatives of the parties there was an understanding that it was thought the debate on this matter was concluded; that we would, if there was agreement of the house, pass the resolution and give first reading to the bill, which would stand over until next Monday for debate.

Mr. Diefenbaker: Mr. Chairman, I think that is correct.

Resolution reported and concurred in.

Mr. Pickersgill thereupon moved for leave to introduce Bill No. C-126, respecting the office of representation commissioner and to effect certain consequential amendments to the Canada Elections Act.

Motion agreed to and bill read the first time.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on a point of procedure, now that we have given first reading to the bill respecting the representation commissioner would it not be appropriate to revert to introduction of bills and thus introduce the two bills on redistribution at the same time? We fully understand there is not to be debate on both bills at the present time, but possibly both bills should reach the light of day at the same time.

Mr. Diefenbaker: In that connection I do not think we are agreeable.

Mr. Pickersgill: I am afraid I am not agreeable either, because I do not think the bill is ready for distribution, but I hope it will be available tomorrow.

CANADIAN NATIONAL RAILWAYS

PROVISION FOR CAPITAL EXPENDITURES, ISSUE OF SECURITIES, ETC.

The house resumed, from Monday, June 3, consideration in committee of the following resolution—Mr. Gordon—Mr. Batten in the chair:

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 Trans-Canada Air Lines and other affiliated companies (i) in the year 1962, not exceeding $156,500,000 and (ii) in the year 1963, not exceeding $157,000,000, and to make certain capital expenditures and enter into certain contracts prior to July 1, 1964; to provide for the financial requirements of Trans-Canada Air Lines in an amount not exceeding $31,800,000, 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 Railway Company 4 per cent preferred stock in an annual amount not exceeding 3 per cent of the gross revenues 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 deficiencies in operating revenues to June 30, 1964, 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 $230,000,000 to $480,000,000.

Mr. Pickersgill: I wonder if I could just say a word. It was also suggested, at the meeting that was held after the Prime Minister's statement on Friday, that there might be general agreement that this resolution too would be dealt with without debate, the bill given first reading, and the bill stood over for a week, until after the committee on the C.N.R. would have met. If that was agreeable to the house it was clearly understood that there would be no attempt from this side of the house to restrict in any way, on any technical points, the freedom of debate.

Mr. Diefenbaker: Mr. Chairman, I think that is acceptable, provided matters that it would not ordinarily be permissible to discuss on second reading can be taken up by hon. members and their right to do so will not be challenged. There is, of course, the very important matter of the recent acquisition by Trans-Canada Air Lines of certain aircraft. The disputes that have arisen in connection therewith and the questions asked today indicate there are many phases of that matter which certain hon. members would like to discuss.

So long as it is clearly understood that when the bill comes up for second reading there will be no challenge, as the Secretary of State has said, to the right to proceed afield and deal with matters that under ordinary circumstances could not be dealt with under the rules with regard to second reading, the suggestion is acceptable.

Mr. Pickersgill: Mr. Chairman, perhaps I may say a word in reply to the right hon. gentleman. The necessary freedom would probably be greater on clause 1 of the bill when we were in committee than it would be on second reading. But I can give the assurance to the house that no exception will be taken on any technical grounds at either of those stages—that is, on second reading,

which after all is governed by certain rules, or on clause 1 of the bill—to any discussion that would be permissible at this stage of the proceedings.

If that could be the understanding it would certainly expedite the business of the house. I might also remind hon. members that the estimates of the Department of Transport have not yet been concluded, either, so that any questions that conceivably might not be in order at this stage would probably still be in order on the minister's estimates.

Mr. Diefenbaker: Mr. Chairman, that last qualification disturbs me a little. I hope it was not meant to be other than just a statement made for the purpose of completing the speech the hon. gentleman was making, because I have found the Minister of Transport, when asked questions, invariably concludes that they are loaded. We do not want answers of that kind. We want to be in a position to ask questions that will be answered, loaded or unloaded.

Mr. Pickersgill: I assure the right hon. gentleman that it is merely an additional opportunity.

[*Translation*]

Mr. Gregoire: Mr. Chairman, I wish to point out to the Secretary of State (Mr. Pickersgill) that many pieces of legislation concerning railways are now under study either by the committees or by the house.

Moreover, vote No. 212A of the Department of Transport's estimates, which deals precisely with subsidies granted to the Canadian National Railways, has been submitted to the sessional committee on railways, air lines and shipping.

Since the president of the Canadian National Railways is to appear before the committee this week, I wonder whether it might not be wise for the Secretary of State to make available to the members of this sessional committee all the necessary information, so that when we come back to the house to study the legislation, the most important questions will have already been threshed out by the committee.

Mr. Chairman, I would like to avail myself of the circumstances to remind the Secretary of State that he already promised us something concerning a certain legislation. And even if we raised the question of privilege in that regard, the problem I am referring to—and the Secretary of State is well aware of what I mean—has not yet been settled to our satisfaction. Therefore, I ask the Secretary of State to look into that matter at the same time.

[Mr. Pickersgill.]

[*Text*]

Mr. Pickersgill: Perhaps, since I am a member of this committee and have a certain function in it, I can be more certain that what I say here will apply, than it might elsewhere. I am sure, however, that having the bill rather than the resolution will make no difference so far as the inquiry is concerned. In fact having the bill available will mean that hon. members can take the bill with them into the committee and will have an opportunity there to ask Mr. Gordon any questions respecting the bill before it comes to us for second reading, which will not be before next Monday.

Resolution reported and concurred in.

Mr. Sharp (for Mr. Gordon) thereupon moved for leave to introduce Bill No. C-127, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system for the period from the 1st day of January, 1962, to the 30th day of June, 1964, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company.

Motion agreed to and bill read the first time.

EMERGENCY GOLD MINING ASSISTANCE ACT

AMENDMENTS EXTENDING APPLICATION AND MAKING CHANGES IN ADMINISTRATION

Hon. W. M. Benidickson (Minister of Mines and Technical Surveys) moved the second reading of Bill No. C-124, to amend the Gold Mining Assistance Act.

He said: Mr. Speaker, I think perhaps the house will not expect too much of an explanation this afternoon on this amending bill, because on November 27 as we were coming to the end of the session I took the precaution of explaining to the house the purposes of this bill.

The bill amends the assistance that has been available to gold mines since 1948. In brief there are only two matters of substance or change in the amending bill. One is that the assistance will continue for a term of four years. This is the longest term that has ever been offered in an amending bill. The other matter is the reference in the statement I made, as reported at page 5144 of *Hansard*, respecting a denial in about 18 months hence of assistance to new gold mines, where employees would not normally evolve around an existing community that was dependant upon the gold mining economy.

Hon. Paul Martineau (Pontiac-Temiscamingue): Mr. Speaker, I must congratulate the minister for the brevity of his statement, because I expected he might have gone into

further detail in regard to his bill, particularly in regard to some of its new provisions. The minister's statement of November 27 was welcomed by the gold mining communities inasmuch as it removed any doubts as to the possibility of the gold mining industry not relying on the assistance which they had been getting, particularly since 1958, at an increased rate. Since the coming into force of the emergency provisions I believe a total sum of close to $170 million had been paid up to the end of 1962. That assistance not only contributed but I think in most cases enabled the gold mines to remain in operation and produce for Canada the metal which is a source of great wealth. It also contributed in a very striking way to the prosperity of large sectors of our country.

I would have liked the minister to give the house some explanation about the restrictions which would apply to new mines after July 1, 1965. That particular provision has been questioned with anxiety by the gold mining communities and also by prospectors generally throughout this country. It could, I think, lead to a curtailment of the operations of a very vital industry for Canada, and I am afraid it will have a dampening influence on prospectors and mineral exploration. It may foreshadow within a few years a notable decrease in the amount of assistance which the government will be giving to the gold producers.

The main reason this provision has given rise to anxiety is that in its application it may defeat a most laudable objective, namely an extension of gold mining activities to other areas throughout Canada. Surely this country has not reached the stage where it feels it has a sufficient supply of gold. There is a saying which the minister must often have heard; "Gold is where you find it". Does this provision mean that if in the future a new discovery of substantial proportions is made outside the established gold mining communities, and a mine is established it will not qualify for assistance? If that is so I think the mining people are justified in viewing the provision with great alarm.

I was surprised that the minister did not amplify his statement in this respect this afternoon, and I hope he will do so before the end of the debate, because this is an important matter. I do not think this is the sort of measure which should be whipped through without adequate scrutiny. There is, I feel, something abnormal in the fact that the government must give emergency assistance to an industry which has contributed so much to the wealth of this country and which is producing a metal that is sought throughout the world. Throughout the centuries gold has been the one product which has always been in demand. It could always fetch its price. Yet despite this, and despite the fact that there is a world shortage of the metal, the gold mining industry has to be treated as a depressed industry requiring emergency treatment.

Of course we know the reason for this situation. It is because there has not been an increase in the price of gold since 1933, at which time the price of gold was raised from $20.62 an ounce to its present price of $35 in United States currency. Since that year, despite mounting costs and inflation throughout the world and despite the ever increasing demand for gold, the price has remained unchanged. This has been one cause of high prices in many countries and of a decline in activity, not merely in mining activity but economic activity generally. To my mind this measure, welcome as it is in its principles, and necessary as it is to the degree that it provides assistance to the gold producers is still nothing but a palliative, nothing but a stopgap.

It would seem according to informed observers, people in financial circles and experts who have made a special study of gold and its price, that the real solution to the problems of the mining industry and also, perhaps, to the slackening in the economies of several of the leading industrial nations of the world, would be an increase in the price of gold. There is a very good case to be made out in favour of such an increase at this time. One reason is that there exists a world shortage of the metal. Supplies of gold, including annual production, are insufficient to look after the normal needs of trade and commerce, and insufficient to accommodate public purposes.

To give the house an example, let me point out that in 1962 the combined governments of the western world were able to purchase only $325 mililon worth of gold out of a fresh supply of some $1,550 million. Most of the supplies which were purchased by the governments of the western world went to meet the normal demands of trade and commerce. A much larger share went into the hands of hoarders and speculators who for several years made a practice of accumulating gold in the belief that soon the world price will have to be increased.

The supply is short in Canada and it is short in the United States. As a matter of fact, in 1962 the United States had to earmark some $12 billion of its supply of gold simply to back up the United States dollar, which left only about $3 billion for normal interchange. In addition, it must be remembered that foreign demands on United States currency amount to some $15 billion and, of course, if all those demands were required

to be met in gold, as they have a right to be met if the creditors insist, the United States gold stock would be almost entirely depleted.

There have been potent reasons why the United States should resist the world wide demand for an increase in the price of gold. To accept it would be tantamount to a devaluation of the United States currency. Nevertheless the advantages to be derived from an increase in the price of gold are obvious. There would be an immense stimulation of trade and industry. Unemployment would be reduced. More aid could be given to underdeveloped countries.

Mr. Pickersgill: Why did you not do it when you were in office?

Mr. Martineau: I will give an example, one which might at the same time answer the very intelligent observation just made by the Secretary of State. His interventions are always intelligent. They are always in the interests of shortening our debates and getting his legislation passed more smoothly. I take this occasion to congratulate him on his subtlety.

In any event, the Secretary of State asked me why this was not done while we were in office. In doing that he displayed an astonishing amount of ignorance, because a decision of that kind does not depend on the Canadian government. It makes no difference which party is in office; it is not the province of the Canadian government to increase the world price of gold. That can only be done by the power which controls the international market for gold and which controls the price on an international scale, that is the United States government. I am sure the Secretary of State knows that very well. But last year, in 1962—since the Secretary of State did bring this matter up, and because it is pertinent to the debate—the Canadian government of that day did devalue the Canadian dollar by a small amount, to 92½ cents in relation to the United States dollar. We know that this devaluation has already had, and will continue to have, as the figures for foreign trade reveal, a stimulating effect on the Canadian economy. It benefited Canada's foreign exchange position and, of course, resulted in an increase in our trade earnings.

Similar benefits, but on a much larger scale, would derive from an increase in the price of gold to say double its present price, making it $70 U.S. an ounce, which would amount to a devaluation of United States currency by half. An increase in the price of gold, the advantages of which I have just outlined, would help most industrial countries in the world but they would help Canada in a very particular manner because Canada is one of the primary gold producing countries of the world. The latest gold production figures I have are for 1961 although the minister may have the 1962 figures; but I would point out that in 1961 production of gold amounted to 4,425,000 ounces. Canada, of course, is a developing country with vast potential mineral reserves still untapped. There is no doubt that, as occurred in 1933 and later after the world price of gold was increased, a great new wave of mining exploration would follow today if the world price were increased. This would result in new gold discoveries which would help to alleviate the world shortage of gold and would bring new prosperity to Canada and create new communities where today only wilderness exists.

Not only the gold mines would benefit from the new mineral exploration and prospecting, which would be sparked in this way, but there would also be discoveries of other minerals, thereby enhancing Canada's position as one of the leading countries of the world in mineral production. In turn, secondary industries and the economy in general would greatly benefit from such a move.

Most people who have studied the situation are in agreement in saying that this is the one single action that could contribute most to Canada's prosperity. Perhaps I might give an example of the contribution one single mine can make to the economy of the country. Let me take Dome Mines Limited of South Porcupine, northern Ontario, which is not far removed from my own constituency. In 1961, this mine bought supplies from 126 communities in Canada broken down in this way: 82 in Ontario, 22 in Quebec, 9 in New Brunswick, 6 in Nova Scotia, 2 in Saskatchewan, 2 in Alberta, 2 in British Columbia and 2 in Manitoba. These purchases were made from a total of 622 companies. This means that in addition to the very worth-while contribution arising from the production of gold by this mine, gold being in great demand, as I have said, the benefits from the operation of this one gold mine are spread out in an intricate network throughout the entire country.

In my own constituency we had a notable gold producer which ceased operations a few years ago, not because it could not survive financially but because the reserves had been depleted. I am referring to Belleterre (Quebec) Gold Mines Limited. My constituency has along one border and on its fringe the pre-Cambrian shield which extends through northwestern Quebec and northern Ontario and in which are found the

majority of Canada's gold producers. I often wonder what would have happened to our country during the dark and deepest days of the depression if it had not been for this vigorous industry which provided employment for so many people and also provided an impetus, encouragement and inspiration to the rest of the country which at that time was stagnating under the severity of a world-wide depression.

Because of the reasons I have just mentioned I believe the time has come for the government to initiate talks with the United States government and perhaps also with the world monetary fund officials in order to have the situation fully examined and to reach conclusions that might influence the United States government to decide to take the imperative step of increasing the price of gold. As I said at the beginning, Mr. Speaker, we are happy that the legislation is being extended but we hope it will not result in the initiation of a policy on the part of the government that will lead to the discouragement of mineral exploration, because if that were to happen it would be a very sad day for the industry, for the mining communities and for the country as a whole. I am looking forward to further explanations from the minister when he closes the debate.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, we are very happy to have the opportunity again to support the Emergency Gold Mining Assistance Act and its extension for another four years. We do this knowing that the minister must be having certain difficulties with his conscience because of not having made the act permanent rather than emergency legislation. I think all who are interested in gold mining will agree that the industry is not likely to go ahead under present circumstances but that gold production is very apt to become a dying field of endeavour, and therefore the emergency that was apparent 17 years ago will still be apparent until the last one of the gold mines closes down.

We are very sympathetic to the position the minister takes in stipulating in the new legislation that assistance will not be provided to new areas developing gold production if it results in the establishment of new communities, but rather for the development of producers in areas already dependant on gold mining.

I believe the minister is to be congratulated on having learned one lesson which the Canadian people learned at considerable expense in the case of Elliot Lake where assistance was given to the development of a new mining field and the creation of a town without making sure that the industry would continue to be able to exist over a period of years.

I agree with something that the last speaker said but I would point out that he had the opportunity and failed to do anything about changing the price of gold. It is very easy for me to say this is a worth-while endeavour and that the price of gold should be increased, because I think this would solve the problems of many of the producers in my area and would have a favourable reaction so far as many of the producers in other areas are concerned. However, we are all aware of the fact that Canada as a prime producer of gold is dependant upon the international monetary fund, and more particularly the United States, for the price of the product.

I might give an example of something that happened years ago when I was a miner, and the president of a union that was on strike and had been for a number of years. I visited the president of this small independent company for which I worked. The company owned three gold mines. I went to the United States to discuss the matter of settling the strike with the president. I thought that the company I had worked for was quite a sizeable one but I was very impressed by the fact that while he was the president of the company he was also considered, in the United States city in which he lived, to be the largest real estate holder in that area. In addition, he was the head of one of the largest legal firms in that city and had many other interests besides gold mining.

The only reason I was able to see him was that I was naïve enough to think that I should be able to do so. When I arrived in his office I told his receptionist that I wanted to see the president, giving his name. She asked me if I had an appointment and I said no. She said, "Who will I tell him is asking for an appointment?" I gave her my name and I said, "You can tell him I work for him in Timmins". When she told him that he decided he had better find out whom he was employing in Timmins, because I imagine he never considered any of us in the gold mining field to be his employees.

We discussed the matter of increasing the price of gold, and it is not quite as simple as the miners or some of the mines sometimes think. He said to me, "I have a little money tied up in gold mines and I should like to see the price of gold go up but if the price of gold goes up you can easily figure out what this is going to mean to me in dollars and cents in relation to my real estate". It is easy for us to think only that Canada is in the

position of producing gold, and we are not really too interested in the stockholders. The stockholder, of course, has to make a profit or he is not going to be interested in the particular field, but over a period of years the stockholders have made sizeable profits from many of the existing mines. The contribution made to the nation has been dealt with by the previous speaker. It is a contribution that cannot be overemphasized. It is not generally known that there are many other industries in Canada dependant upon the gold mining industry in one way or another. It is interesting to ride on the trains and, in talking to the engineers, learn that during the depression they worked for the gold mines under some sort of hoisting licence, and then were able to go back to the running trade after the depression. The same thing is true in so far as the manufacture of cable and other supplies is concerned.

There is much more gold, I am sure, under the pre-Cambrian shield than has been mined. It is necessary, in my opinion, for the Canadian government to go to the international monetary fund and demand an increase in the price of gold. We really cannot separate gold from the other monetized metals, but I think the time has come for Canada to decide whether or not we are getting proper value for the gold we export at $35 an ounce, or whether the Canadian government should stockpile it. We have never really objected to the mines stockpiling gold, and I want to talk about that later in connection with McIntyre. One time they were mad at the government and they stockpiled gold.

We have said many times that they are using this scheme to low-grade their property. This is a matter of great concern to the miners who are dependant on that ore. However, that is not the purpose of my intervention today. First of all, I believe the minister should remove the word "emergency" from this measure. We would be quite happy to move an amendment when we reach the committee stage, because I think the minister will agree that unless something happens we do not foresee at the moment, there is really no possibility at the end of four years of not having to extend this legislation.

I think we have an obligation to the communities because the communities have been literally unable to do anything for themselves. Not long ago the representatives of these communities came to Ottawa and, at the invitation of the minister, I sat in on the presentation of the briefs by the representatives of these communities. I should like to quote one sentence from one of the briefs. In the conclusion, the brief refers to the fact that the mines in these communities have derived $170 million in aid over the past 16 years. They want this continued because they have not been able to arrive at any other solution. The brief reads as follows:

> Beyond this immediate question, however, we have tried to persuade you and your colleagues and fellow members, that the time is opportune for an imaginative reappraisal of the whole scope and purpose of the legislation as an instrument of national economic development.

As an aside, I would say that I am sure this could be revised in many ways. However, I presume the only way they want it revised is upward. However, the brief reads as follows:

> Economic growth is the core of much of your policy thinking these days, just as it was of ours in, for example, the 1958 study of the gold mining community. Diversification has proved to be a rocky road to economic growth in the gold towns, until already the areas around Timmins, Val d'Or, and Rouyn-Noranda have been defined by your government as being so depressed as to be eligible for special federal assistance in business development. Most of the gold mining communities are in equal difficulty. Considering the gamut of local, national and international considerations bound up in gold mining, we would conclude this submission by calling to your attention the tremendous impetus to economic growth which would flow from a truly positive approach to the extraction of our gold resources.

Well, there is a difference of opinion even amongst the representatives who came to Ottawa. I am happy to say that my area may be just a little more progressive, a little more advanced in its thinking, than they are in Porcupine and some other areas. This is true for a very simple reason which does not relate to a difference in people or a difference in areas. The only difference is that many of the gold mines in Kirkland Lake have closed down, and those that have not closed are in the process of informing their shareholders and everyone in general that they are on the verge of closing down. The problem in this area, therefore, is immediate so far as the producers are concerned. They have made other suggestions which I believe the government is considering. I hope the Minister of Mines and Technical Surveys (Mr. Benidickson) will keep in touch with the Minister of Industry (Mr. Drury) because it is my opinion that this money we are paying out in the form of emergency gold mining assistance would be better paid for the development of secondary industry. If we are going to take care of the transition period, I would say that the $17 million we will be paying this year could be better used in the development of secondary industry.

We have been interested in some of the things that have happened. One of the most interesting developments has been that of the McIntyre mine, which has adopted an archaic attitude toward some of its companies. This company may talk about the

earnings of employees over the years, but at the same time they do not say much of what has been paid to shareholders or what the company, as an entity, has earned. The company has undertaken some development, but that has not any relationship to the amount of money the company has taken from the emergency gold mining assistance fund. The nearly quarter of a million dollars which has flowed from the fund to this company, in my opinion, has not been in keeping with the amount of profit the company has earned.

I suggest we should be interested in this matter. In 1962 we gave McIntyre $1,064,000 in aid. Then, that year McIntyre had a profit of $5,330,760 on which they paid income tax of only $67,586. I suggest that this is a cause for some alarm when we know that some of the smaller producers in adjacent areas are paying half of their total profit in income tax. As an example I cite the case of Cisco in the Gowganda area, a silver producing mine. I want to compare these two mines for the benefit of hon. members. In 1962, Cisco had a profit of $469,000, a little less than half a million dollars, on which they paid income taxes of $224,000, almost a quarter of a million dollars. McIntyre made $5.5 million of profit and yet only paid $67,586 in income tax. I think there is a great disparity between the two which we should think about.

The people of the community are of the opinion that the department has not the facilities to really ascertain upon what the emergency gold mining assistance is being paid at McIntyre. I have a statement here, and I will read some of it. It is to be found in sessional paper 88A of November 1962. We have in the Gowganda area a silver producing mine called Castle, which in 1958 was made a division of McIntyre mines. This mine has been making a very large profit and, according to the figures, has been paying about half a million dollars or so to McIntyre each year. We are of the opinion that the greater the loss at Castle, the more E.G.M.A. will be earned because costs have risen at McIntyre. This is not a separate branch, it is a division of McIntyre itself. If you make a calculation of the E.G.M.A. that has been paid to McIntyre, you will find a sizeable increase each year since Castle was made a division of McIntyre.

Why should we be interested, one way or the other? One of the reasons is that McIntyre has been living in the dark ages so far as their employees are concerned. The gold mining industry has paid the lowest wages of any mining industry in Canada. I think, Mr. Speaker, you would be interested in this, that the gold mines paid the lowest wages; silver paid a better wage, as did copper, zinc and the other base metals. The highest wage in the mining industry accrued to the iron miners, the lowest base metal we have in the mining industry. It looks to be the case that the higher the price of the product, the more precious the metal, then the lower are the wages in the industry. There is a definite relationship all up the scale.

The silver mining industry has been organized for some time. The two mines in Gowganda were organized last year by the united steel workers, and Siscoe made an arrangement in keeping with the wages in the silver mining industry. The Castle, owned by McIntyre, is run by an old mining baron by the name of Campbell, who for many years has had a connection with the Castle mine and who is an engineer with McIntyre. He has always kept his finger on the pulse of the gold mining area at Castle, but since the contracts were not agreeable the Castle closed down. This has meant that the McIntyre is showing a loss of $500,000, which will probably be made up by increased amounts under E.G.M.A., which means that the E.G.M.A. payments will be higher in 1964 because the Castle closed its operations.

I do not know if we can bring any pressure on this company to divorce itself from the wing of McIntyre, so that the miners can be re-employed, but we are going to make it really miserable for McIntyre until they allow the only silver company in my area to meet with the employees and make some arrangements.

The former minister got himself involved in this matter of surveys, but mining is a very difficult proposition. I laid a charge one time on information that was given to me regarding a particular stope at the McIntyre, which was one of these high grading stopes. The department said they would investigate it and report the findings of their investigation. However, according to my information, this investigation was never made, and it is also my information that if they are going to do this surveying they will have to borrow the men from the provincial department of mines because there are very few people in the department who can go underground and do the physical work involved.

Here is a letter sent out on February 28, 1962, from the head of the taxation and legislation section of the Department of Mines and Technical Surveys, to Mr. P. B. McCrodan, manager, McIntyre Porcupine Mines Limited, Schumacher:

Dear Sir:

T. W. Verity and W. J. Beard inspection engineers, will visit your mining property on or about March

23, 1962 to carry out duties in connection with the Emergency Gold Mining Assistance Act with respect to the designated year 1961.

Would you kindly prepare certain relevant information and plans prior to the visit. A "List of Data" and a copy of an inspection report form are attached for your guidance and convenience in the preparation of the information.

Yours truly,
E. C. Hodgson
Head,
Taxation and Legislation Section.

Well, Mr. Speaker, I worked for a long time in the mines and one of the greatest complaints miners had was the fact that in Ontario, when a safety check was going to be made at a mine, the mine was phoned up and told on Friday night about the check. Finally, because of our complaints, the government realized this was not a fair process, because all the men were taken off the work they were doing and were put to work making the mine safe so that the inspector would not get himself killed when he walked through it.

The department finally quit notifying the mines, but the inspectors came up with a different gimmick. An inspector would visit a mine the day before, bring his clothes and hang them in the dryer, which very fact indicated he was going to do the inspection there next day before he went anywhere else. We do not believe in this kind of inspection.

I mention the McIntyre in this connection, because not only have they played around with silver but they are now concerned with a new copper project. They have been fortunate enough to develop a copper body by accident. They were doing development work for gold in a gold mining area, and fortunately found themselves with a very large low-grade copper project close to their gold workings. I suggest that these mining inspectors were not, in 1962, able to do an evaluation for 1961 of the costs of production in that mine because they were not in a position to take into consideration the cost division between the development in copper and the development in gold.

We know that in 1963 the mine is ready to go into production. Now, we want to be very fair to the department because they have had requests to operate this as a separate mine, but after hearing briefs on the subject they have decided it is not a separate mine, and they are not going to allow the three year tax period from the development. I note that on September 9, 1963 they wrote to McIntyre Porcupine Mines as follows:

In examining the application submitted by your company for assistance for the period January 1 to June 30, 1963 it has been noted that a deduction of costs applicable to the copper mine has been made from the costs of producing gold listed on the "General expenses at mine" sheet. This together with a number of items showing increases in costs has raised the problem of providing a suitable means for the examination of the division of costs made between the production from the McIntyre gold mining unit and the McIntyre copper mining unit.

Would you be good enough, in the third quarter application for 1963 and subsequent applications, to submit detailed information on the cost of production from the copper mining unit in a manner similar to that used in the presentation of the cost of production of gold through the use of sheets number 1, 2, 3, 4A, 4B, and 5, schedule II.

The application for the second quarter of 1963 has been approved for advance payment in the amount of $210,495.25. In arriving at the amount of advance due, a holdback rate of 25 per cent was applied in view of the possible changes in the division of costs between copper and gold. Your attention is also drawn to an error in subtraction in the amount of $100,000 which was made in the computation of the amount of advance due in the application as submitted.

It was very nice that they should draw this small matter of $100,000 to the attention of the mine. I did not think McIntyre had that kind of accounting system and would make that kind of mistake. But, Mr. Speaker, you will see this is causing a great deal of concern. My concern is not so much in presenting difficulties to McIntyre in getting E.G.M.A., but in the fact that I think they are damned crooks so far as their employees are concerned. If they do not straighten up their affairs with their employees, then we shall be after them because the employees really are the communities. The employees working in these mines provide their communities with all the taxes they need for municipal services. The mines pay very little taxes and buy a very small amount of their materials locally, mostly on a wholesale level, so that it is the wages of the people they employ which provide the lifeline for the communities.

If McIntyre start playing around with their employees they are going to be in trouble with me, with the E.G.M.A. inspectors, and I am sure with the minister. Our avowed purpose in supporting E.G.M.A. is not that it is a cure-all for keeping life in these communities, but that it is a stopgap measure to keep the communities in existence until we can arrive at a system of providing them with industrial assistance as an alternative to gold mining.

So long as Canada is not interested in handling gold as an export commodity, and treating it as a mint commodity which the government itself is going to sell, then we are not interested in mining gold. We do not care if we have gold in our stockpiles because we do not use it as backing for money. It is the same as if Ford were manufacturing cars in Canada and were exporting them to

the United States at a set price, and the reason the set price is there is the reason we are supporting E.G.M.A. assistance to these communities.

Therefore, we are giving advance notice that we are going to war on McIntyre until they decide they are going to do something about their employees. This company has several hundreds of millions of dollars in its portfolio, to invest in various forms across the nation, and every red cent of it was built up on the money it earned on the work, labour and resources that the Canadian people has had in the gold mining industry in the Porcupine area. The company has an obligation, because the miners are only earning $1.25 an hour, and they are working underground for that low wage. The base wage in most of the iron mines is well over $2 an hour. There are sweepers getting close to $2 an hour in the base metal industry. Therefore, Mr. Speaker, we are not asking for anything extra and certainly nothing in keeping with the occupation in which they work and the hazards under which they work. We are not asking for anything more than is due to the communities that were built around them. We are pleased, therefore—despite what I say about McIntyre—to support E.G.M.A. We think the controls being exercised by the department are probably not strong enough or active enough, however, to curtail a company that is perhaps out to beat the department.

This government is anxious, no doubt, as other governments have been, to keep the industry alive with this emergency gold mining assistance. I am not sure in my own mind that McIntyre has not abused the purpose of this act. To illustrate the attitude of these people I should like to read this letter. This is a letter that goes in to the department quarterly, four times a year. It is from McIntyre Porcupine Mines, Limited and says:

> We enclose herewith, in quadruplicate, application of this company for the six months period ended June 30th, 1961 for assistance under the Emergency Gold Mining Assistance Act.
>
> Will you please give this claim your usual prompt attention and forward your cheque for $308,268.09 at your early convenience.

In other words, "Get cracking; my money is due". People do not write like this when their pension cheque is overdue. This is the attitude they use to the communities, to the government and to everybody with whom they deal. When they go to arbitration they speak of the master and servant arrangement; they go back to laws that have long been repealed. Therefore we think there has to be much closer supervision of a company that appears to be increasing over the years with the assistance of E.G.M.A. and which we find is in a position to make over $5 million profit.

I think a legitimate question to ask is, why should we be making a donation of $1 million to this company, when the profit they are making is so considerable? If they can prove this is for the production of gold and there are other factors involved, I think this is perfectly all right. But I suggest that when this copper project goes into operation we will have the same difficulty with the new product, with regard to getting better wages out of this company, because they will continue to use gold as the reason for not paying decent wages, instituting any pension plan or doing anything for the community or the people.

In closing, Mr. Speaker, I should like to congratulate the minister, and I hope all hon. members will support the idea of not allowing new gold mines to develop outside those areas where gold is already a major production factor. This means, as I understand it—and I hope the minister will correct me if I am wrong—that if new mines can be found in Matachewan, Kirkland Lake or Timmins, these gold mines will be supported under the same type of arrangement—

Mr. Benidickson: With a proper margin of profit.

Mr. Peters: Yes, of course, taking into consideration the cost of production and other factors. But we hope this will not be extended into new gold mining areas if such were found on the outskirts of Ottawa or somewhere else, and particularly in areas more remote, for the simple reason that we want this matter of emergency gold mining assistance to produce benefit and assist the welfare of the gold mining communities as long as those communities are dependant on this industry as their source of income.

We also ask the minister to give complete co-operation to the Minister of Industry in searching out, through surveys and whatever means are available, all possible avenues for developing secondary industry in these areas so that sooner or later these communities will find themselves again in the self-supporting position which they desire, and which I think the Canadian people desire for them.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, on the basis that the better you know your subject, the shorter your speech will be, I can say that I know the gold subject very well. However that is not exactly the case and I shall be very brief in my comments. I do wish to go on record as supporting the extension of the Emergency Gold Mining Assistance Act, because we believe it is essential for our gold mining industry in Canada at the present time.

The world situation in regard to the supply of gold is rather critical. For over 20 years now, in fact for almost 30 years, the price of gold has been at a fixed rate. The cost of living in all parts of the world has increased rapidly during this period of time, but the price of gold has not increased. From one aspect this has caused a great deal of pressure upon the gold market of the world, and it is becoming obvious that the price of gold will have to be increased in the not too distant future if this commodity is to continue to form the basis of international exchange, as it does at the present time.

There is no doubt that on an international basis we are in trouble with the gold standard, even as we were in trouble with the gold standard on an internal basis in 1935. This situation is forcing a new policy to develop in regard to international settlements. However, until this comes about I think the gold market will continue to be very strong as far as the need of the world for more gold is concerned. Certainly in Canada we should be doing all we can to increase, rather than decrease, the amount of gold produced. In other words, because of the short demand on gold today the demand for gold will continue for some time, even though the previous speaker mentioned that gold in its relative importance as a trading commodity may eventually go out of the picture altogether.

This brings me back to the point that it is important that the E.G.M.A. policy be continued, and we support the government in extending it at this time. I am particularly grateful to the minister for including in this extension of the Emergency Gold Mining Assistance Act new mines which might come into existence within the next 18 months; that is, up to June 30, 1965. This means that new mines in the process of being developed at the present time are protected as well as mines which are actually in production. This is not the place to debate this matter at the present time, but I believe it is important that the government restudy and reassess its entire policy of taking care of the gold mining situation. I believe that the inevitable developments which will take place within our own economy as far as gold is concerned and also internationally, as far as the use of gold is concerned, demand that some more satisfactory policy be worked out to cover the gold mining industry. In the meantime there is no alternative but to extend the present policy, which is being done in this piece of legislation.

I do not wish to belabour the point any further, Mr. Speaker, but I repeat that we give our support to this bill. At the same time we urge the government to initiate immediately a study of how our over-all gold policy can be improved upon. We support the provision that new mines coming into operation in the next 18 months will also be covered by this assistance.

Mr. M. W. Martin (Timmins): Mr. Speaker, it is too late in the day and too late in the season to take up too much time on the bill before us today. However there are a few things I should like to say. I wonder whether the government has really come to grips with this problem of gold, or whether they have just sort of swept it under the rug for another four years. After all, if we look back over the history of the Emergency Gold Mining Assistance Act we see that it goes back some 16 years now. I would like to know from the government just what has been solved in those 16 years. Are we any closer to a solution of the problems of the gold mining industry today than we were 16 years ago, in 1948, when this act was first passed? Furthermore, over those 16 years has the government really done any housekeeping on this act? Have they given an appropriate accounting of their stewardship in regard to the $175 million or $180 million of the taxpayers' money that has been spent in this industry?

I was rather shocked two or three years ago when the hon. member for Timiskaming (Mr. Peters) and myself dug into this matter and we found that over the years money had been paid out and there was not even an inspector on the payroll of the federal government to inspect these mines and see whether the money paid by the government was in fact being earned by the industry.

Like Caesar's wife, the industry was beyond suspicion and its word was accepted for everything. That has not been the experience of the gold miners who have worked for this industry over the years. It has not been the experience of the gold mining communities which have been dependant on this industry. These companies are not the knights in shining armour that we might think them to be, when we consider that the federal government is paying hundreds of millions of dollars into an industry without making arrangements for proper supervision and inspection to see how this money is being used.

My hon. friend from Timiskaming (Mr. Peters) has pointed out that the wages paid in the gold mining industry are still the lowest paid in any mining industry in Canada. I think this is something the government should think about, as it pays out this money over the years. I think responsibility rests on the shoulders of this government to make a closer check on this industry than has been made in the past. My hon.

friend from Timiskaming also mentioned the subject of safety. I think the records will show that gold mining is as dangerous an industry as any in the country today.

There is another aspect of this question to which the Minister of National Health and Welfare (Miss LaMarsh) might turn her attention. I was asked, rather jokingly, by some people in Toronto at one time whether everyone in the Porcupine area was on the provincial welfare payroll. I admit that a great many are. The percentage of those in the gold mining areas who have to fall back on the welfare arrangements of the provinces and the municipalities is probably higher than it is elsewhere. This, I say, is a direct result of the neglect shown by an industry which is shirking its responsibilities and shifting them on to the shoulders of the municipal taxpayers who, in turn, are the employees of the industry. I have in my files many hundreds of cases of men who have been injured or who have lost their health working in the gold mines. They have been shed by the industry like old clothing and they have had no choice but to fall back on the municipality for assistance. I think this is a scandalous state of affairs; it is a situation which the federal government should look into before it opens the purse strings to subsidize this industry for another four years.

I think, too, that the government should look back over the 16 years during which this act has been in operation. I believe it will be found that gold production has not been sustained by this measure. Gold production has declined considerably, compared with the figures for production when the act was first passed. I do not see how the government can honestly feel that the extension of this act, now, for another four years is going to bring about a solution to this problem, any more than the legislation which has been in effect for the last 16 years has succeeded in doing so. I think we would do well to consider the state of the Canadian reserves at this time. Instead of having gold as the basis of our reserves, reliance is increasingly being placed on United States dollars with all the danger this implies to our economy. I wonder whether the government has really come to grips with this problem, or whether it has just lifted the rug and swept it underneath for another four years, feeling that the job is done.

I say that the job is not done. I think the government would be most unwise to think that this problem is solved for another four years; because it is not. As I said in this house about two weeks ago, I think it is time we adopted a new policy with regard to gold. The government should not say that the job is done, simply because this subsidy has been extended for another four years. We should look at this problem again; we should try to come to grips with it, and make provision for a much better solution than we have reached to date.

Mr. D. M. Fisher (Port Arthur): The one question I wanted to bring to the attention of the minister really relates to the schedule, and since the schedule introduces a new principle into the bill I think that on second reading I can discuss it in some detail though, normally, I would not be able to do so at this stage of the bill.

In the schedule we find a list of the communities which will be able to take advantage of the act, particularly in relation to the date 1965 which, in a sense, is a cut-off date for any new mines established in areas which are not what might be called old mining communities. There is one community which is not in that list, and its absence causes me some concern. It is the community of Beardmore, Ontario, which is not far from Geraldton. There is a rich little mine there named the Leitch gold mine which is coming to the end of its productive life. Because of the quality of the ore produced at this mine it has rarely been in a position in recent years to come under the provisions of the Emergency Gold Mining Assistance Act. The fact remains that this is an old gold mining community in which a considerable number of people earn their living from mining. Some of the other mines in the area, such as Northern Empire and a couple of others whose names I cannot immediately bring to memory, have been gold producers in the past and have taken advantage of this assistance. I think the minister will be able to acknowledge the truth of this from his own experience. It is not so many years ago that the Howey mine went out of production there, but the recrudescence, if I may call it that, of Red Lake causes us to realize how many lives these gold mining communities have. It looked as though Red Lake was a dead camp and unlikely to come to life again, but events proved differently. There is no question that in the general geological structure around Beardmore which runs to Geraldton, 50 miles away, a town which comes under the provisions of the act, there are prospects, which have some reality, that another producing mine may be discovered in the foreseeable future.

Mr. Benidickson: If the hon. member will look at clause 3 he will see there is the right to add.

Mr. Fisher: The minister says clause 3 makes provision for the right to add. My point is, really, that Beardmore is a gold

mining community at the present time and its mines have been able to take advantage of E.G.M.A. in the past. My suggestion is that it should be in the schedule now.

Mr. Benidickson: I would agree.

Mr. Fisher: That is the main point I want to make.

I follow mining developments in the *Northern Miner*, as most people do, and there is one point which was raised in it, not too long ago, which I have brought up on previous occasions when this item was before parliament. It relates to this whole question of profits made by mines which receive assistance under this measure. I do not know what the way out of this dilemma may be. In the past it has been put to me this way by individuals—and this is the way in which it is put in the *Northern Miner*: certain shareholders in gold mining properties become incensed when dividends are not declared on their shares, despite the fact that companies have a profit margin as a result of gold mining subsidies. This point is made, somewhat crassly, in the *Northern Miner* for November 28 at page 78. A writer from the United States says:

> I think that recipients of the government's cost-aid should distribute any profits to their shareholders and not use this money to buy one another's shares on the exchange. I feel that if a new gold subsidy is to be enacted it should state that the companies that do not pass this along to their shareholders should not be entitled to it. I own shares in both Lake Shore and Wright-Hargreaves but for many years have not received any return on this investment. Also, the price of these shares continues to sink so that I am also faced with a very heavy loss.

This is not a very important point, but it does show the dilemma of free enterprisers when any company is receiving assistance from the government. It is for this reason I should like to support the generalization of my hon. friend from Timmins (Mr. Martin) when he said the Emergency Gold Mining Assistance Act does not solve anything. We are presented with a continuing problem which causes trouble in the mining communities and in the capitalistic world of the mining promoters, and I would like the minister to consider putting the mines, forests and waters committee to work in an effort to come up with something better than E.G.M.A. I think our main consideration should be the communities involved.

We intend to support this measure and we have no severe criticism to make, but I do wish to remind the minister again about the Beardmore problem.

Motion agreed to and bill read the second time.

[Mr. Fisher.]

Mr. Pickersgill: Mr. Speaker, before you put the motion to go into committee of the whole, I believe the hon. member for Wellington South would be willing to let us go on with public business if there was general agreement to do so. Otherwise he intends to proceed with his motion. I wonder what the feeling of the house would be.

Mr. Fisher: Mr. Speaker, I would not mind, only I have a motion stacked up behind that of the hon. member which I have been waiting for four years to have debated in the house. The motion relates to the office of ombudsman. I do not want to have to beat the hon. member for Wellington South into going ahead, but I am going to insist that he do so unless the house leader can come up with some suggestion as to how this hour can be given to us at some other time before the end of the session.

Mr. Pickersgill: I would be very glad to accept the hour between 11 and 12 on December 21 and listen to the hon. member for that whole hour, if that would be the general wish of the house. Much as we enjoy listening to the hon. member for Port Arthur, I think most members of the house would like to get the business of the house completed so that we can prorogue at Christmas. I appeal to the big heart of the hon. gentleman. When an hon. member who really has an opportunity to speak is willing to forgo it, the hon. gentleman might forgo his hypothetical chance, because he is third on the list.

Mr. Fisher: I am ready to go on today.

Mr. Pickersgill: Apparently there is unanimous consent minus one.

Mr. Howard: Minus two.

The house in committee of the whole on Bill No. C-124, to amend the Emergency Gold Mining Assistance Act—Mr. Benidickson—Mr. Lamoureux in the chair.

The Chairman: It being five o'clock I do now leave the chair for the house to proceed to the consideration of private members' business, pursuant to section 3 of standing order 15.

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.

INDUSTRY

SUGGESTED ESTABLISHMENT OF NATIONAL LOCATION COUNCIL

On the order:

Notice of motion—Resuming consideration of the proposed motion of Mr. Peters:

That, in the opinion of this house, the government should consider the establishment of a national location of industry council for the purpose of directing new industry into those regions of the country which are dependant on a narrow industrial base and those which are areas of surplus manpower; and empowering the national location of industry council, in co-operation with the monetary and fiscal authorities, to offer incentives to attract new industry to such regions when requested by provincial and municipal governments.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to refer to item No. 19 under this order and draw your attention to the fact that it is headed: "Resuming consideration of the proposed motion of Mr. Peters". I refer to the debate that took place on November 18. I may say I have checked the standing orders and so on and find that the position is a very unique one. As found on page 4482 of *Hansard* of November 18, when this motion was discussed, it will be seen that just before the debate concluded the Acting Speaker on that day said:

Order. I should point out to the house that if the hon. member for Timiskaming speaks now he will close the debate. The hon. member for Essex West (Mr. Gray).

The fact is that I proceeded to speak at that time and closed the debate. It will be seen that farther down the page the Acting Speaker said:

Is the house ready for the question? Moved by Mr. Peters that—

The Acting Speaker had started to put the question when the fact that it was six o'clock was drawn to his attention. I submit that is no reason for interrupting a vote and this matter should have been voted on at that time. However, because it was not I would ask your direction, Mr. Speaker, on how we can go about concluding this matter, inasmuch as it only involves a vote that should have been taken. There can be no more debate. I am of the opinion that the situation can be remedied if you will call this item now.

Mr. Deputy Speaker: Of course, the understanding of the Chair is that the items can only be taken in the order that they appear on the order paper, and the item to which the hon. member refers is not the first item under notices of motion. I appreciate the particular difficulty which is now brought to the attention of the Chair by the hon. member. Perhaps the Chair might be given the opportunity to look into this problem before private members' business is called again, but I would suggest that at the present time, in view of the fact that the item in question is not the first item to be considered, it should be left where it is for the time being.

Mr. Peters: Mr. Speaker, I will agree that I am in the wrong in not having raised this matter previously, and certainly I am in the wrong in not having demanded that it be completed at that time. However, I do think it is not a satisfactory arrangement to have this item appear in this position. This is not in accordance with the rules, and I would ask unanimous consent that we proceed with the vote on this matter now.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: There is not unanimous consent. Therefore we have to proceed according to the terms of standing order 18, section 1, which reads as follows:

All items standing on the orders of the day, except government orders, shall be taken up according to the precedence assigned to each on the order paper.

Mr. Peters: Mr. Speaker, when you are examining this matter I would ask you to give some consideration to the procedure which resulted in its being placed in this position, because in my view the vote should be taken. When the Speaker calls it six o'clock and leaves the chair he automatically concludes any debate, with or without the consent of the house. However, I suggest that our business should be conducted in a more orderly fashion, and I would ask you to give consideration to that factor because when a vote is to be taken the normal procedure is for the vote to be proceeded with before the Speaker leaves the chair. If you were to leave the chair now I presume that by your act of leaving the chair you would be calling it six o'clock, but I do not think that would be in keeping with our parliamentary practices.

Mr. Clancy: Mr. Speaker, the hon. member who has just spoken—

Mr. Deputy Speaker: Order.

Mr. Clancy: —sat for six minutes after the Speaker had called for him to stand up.

Mr. Deputy Speaker: Order. The hon. member for Wellington South.

ESTATE TAX ACT

SUGGESTED PAYMENT OF ASSESSMENTS BY INSTALMENTS

Mr. A. D. Hales (Wellington South) moved:

That, in the opinion of this house, the government should give consideration to amending the Estate Tax Act to provide for payment in appropriate cases of estate tax assessments by instalments so as to reduce the number of "forced sale" liquidations of estate assets, which in many cases have resulted in the loss of Canadian ownership and control of Canadian business enterprises.

He said: Mr. Speaker, I appreciate the opportunity to present this notice of motion

at this time. It is difficult at times to get the opportunity to express one's views in the house and I appreciate having the opportunity on this occasion.

The Estate Tax Act, which came into force on January 1, 1959, was designed to replace and bring up to date the old dominion succession duty act. There is, however, one section in the new Estate Tax Act which I do not believe carries out the intention of the house. I refer to the payment of succession duties.

As hon. members know, as the act now stands these taxes must be paid in ordinary cases within six months after death. My notice of motion is in these terms:

> That, in the opinion of this house, the government should give consideration to amending the Estate Tax Act to provide for payment in appropriate cases of estate tax assessments by instalments so as to reduce the number of "forced sale" liquidations of estate assets, which in many cases have resulted in the loss of Canadian ownership and control of Canadian business enterprises.

I believe a good argument could be put forward with respect to whether death duties are necessary at all. Only 1.5 per cent of the national revenue is derived from this source and in my opinion these taxes have a very crippling effect on the economy of the country. They certainly do not encourage a person to save and build up an estate. However, they are with us and probably always will be.

Therefore I think the government should give consideration to, first of all, extending the time of payment of succession duties from six months to five years and, second, making it possible to pay these taxes by instalments. As my motion deals with the payment of estate tax assessments in instalments I shall limit my remarks to this point alone.

It is of paramount importance to Canada to arrange the 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 demands for taxes become confiscatory and so require the liquidation of a business at a sacrifice price, serious problems result. I submit that this is one of the reasons certain taxpayers are forsaking Canada and also why control of much of our heritage is being sold to foreign investors.

When the owner dies, in the case of a privately owned enterprise, six months is too short a time in which to secure the necessary funds to pay the succession duties. The widow or some member of the family may wish to carry on the business, but the payment of succession duties within six months is too great a drain on the capital reserve. Provided that a non-liquid estate furnishes the proper security and interest is charged on this sum, Mr. Speaker, I am in favour of permitting the payment in instalments.

May I remind the house again of the difficulties of continuing family or small businesses or making a satisfactory sale of the business after the death of the owner. It does create real problems. Imposing the payment of succession duties within six months, only creates further problems and causes a forced sale, the loss of ownership, often to foreign investors.

I think I should draw the attention of the house to another hardship—the payment of these taxes within six months of death causes. When the survivor, in many cases a widow, has to make a forced sale of stocks or bonds, sales have to be made at low market value and this creates serious problems for the survivor, particularly in the case of a family owned corporation.

Another hardship that is often created by imposing the present regulations under the Estate Tax Act occurs in rural areas. I know of a case where the father, the owner of a large farm stocked with purebred cattle, died without a will. Within six months, the wife passed on, leaving two sons who had worked along with their father to build up this herd of purebred cattle. Not having the ready capital to pay the succession duties, which were quite large, they were forced to hold an auction sale. This purebred herd, which took years to build, was dispersed. The results, therefore, are detrimental to the building of a sound, agricultural economy in Canada. To say the least, it is disheartening to the survivors.

In conclusion, I say what I said at the beginning, that the estate tax, in respect of the payment of succession duties, should be amended to make death taxes payable in instalments, with interest in approved cases. Several representations have been made previously to the government on this matter by the national council of women of Canada, the estate planning council of Toronto. These organizations have presented briefs to the royal commission on taxation. I hope many members of this house will endorse their views on this very important matter and the government will give serious consideration to the amendment of the Estate Tax Act.

Mr. E. J. Benson (Parliamentary Secretary to Minister of Finance): The hon. member for Wellington South (Mr. Hales) in his motion implies that the necessity to pay quickly an estate tax on the value of estate property in the form of an equity in a business enterprise that contributes a significant portion of the capital of that business forces the business to raise capital by selling out, often to non-Canadians, to a degree sufficient to change the ownership and control of the business. He

also implies that if the tax due could be paid in instalments, the number of such cases would be reduced.

Although the hon. member for Wellington South is not too precise in his motion, he is presumably thinking of a business that is closely controlled, perhaps by a family group, a business that is not usually listed on the stock exchange. This government, and previous governments, have given a good deal of thought to the possible importance of the situation envisaged by the hon. member. Although individuals have from time to time asserted that there is a problem, it has been found difficult to assess its extent because there has been little or no evidence, documentary or otherwise, submitted to the government. Sometimes a family owned business is sold shortly after or shortly before the death of a principal stockholder, but it is not known whether this is because of the problem of finding enough cash to meet his estate tax liability in respect of his shares, or whether there is no one in the family who is willing or able to carry on the direction and management of the business. It is also not known to what extent such businesses are sold to non-Canadians or for what reason. What is known is that, as of last December the industrial development bank, which was given additional powers in 1961, partly with this possible situation in mind, had not made any loans or purchased shares with a view to resale or entered underwriting agreements, specifically in order to prevent the forced sale of a business because of estate taxes. Again, however, this is not completely conclusive because the industrial development bank has made loans to businesses under second and third generation ownership, to assist in the growth or consolidation of such businesses and it is not possible to be certain in how many of these cases forced sale of the business would have been thought necessary if financing had not been available from the industrial development bank. In this regard, I would refer the hon. member for Edmonton West (Mr. Lambert), No. 648, which appeared on the order paper, and was answered earlier in the session.

Assuming that there is or was a liquidity problem, it would appear that the facilities of the industrial development bank are available in appropriate cases to solve it. In addition, there is already in the Estate Tax Act, section 16, a general provision that permits postponement of payment of tax in cases of undue hardship or excessive sacrifice. In so far as section 16 of the Estate Tax Act permits the minister to defer payment of taxes in cases of hardship which may be deemed to occur if payment is demanded too quickly, this situation may be covered. This might be useful in those rather unusual cases where the estates in question do not include enough of other assets, such as insurance or readily marketable securities to pay the tax, or where a loan on the assets of the business cannot be obtained. In most cases, such assets would be available in the estate of a reasonably prudent person, unless the value of the shares of the company and the tax thereon was very substantial indeed. As a matter of fact, estate planning has become more and more important during recent years, and I believe that more and more businessmen are providing for just such a situation as that envisaged by the hon. member.

There is, of course, another provision, section 15 of the Estate Tax Act, which provides for instalment payments in certain cases where the greatest liquidity problem arises. I am thinking of an estate where the sole or main asset is in the form of any income right, annuity, term of years or life or other similar estate. Generally speaking, I refer to a situation where there is a right to income in the future but no capital with which to pay the tax at present. There is not, however, any special provision for cases where there is capital but it is tied up in a family business. If a special provision were inserted in the Estate Tax Act to provide for instalment payments in such cases, this would be unfair to the estates of decedents whose property was in other forms, such as portfolio investments or real estate, or in the case of the farmer to whom the hon. member referred. Also, this would mean additional delays in the settlement of the estates affected and possible retention of the control of assets for a long time by the tax authorities.

There are also at least two other important considerations in assessing this proposal. One is that the provision of more time by allowing instalment payments of tax would likely not be of much help in meeting really large amounts of tax imposed on a large holding in a large company, for example, the holdings of Sir James Dunn in Algoma steel. The only way to be helpful in such a case, if no large liquid assets outside the business were built up over a period of time, would be to ignore the top rates of estates tax for this kind of situation. This would, of course, mean discrimination in favour of large estates and consequently could hardly be contemplated unless the rates were reduced for all estates.

The other consideration is that whatever was done in the way of relief would be offset to a considerable degree in the provinces that levy a succession duty—Ontario, Quebec and British Columbia—unless such provinces followed the federal government's lead. Another point which I think should be raised is that, beginning in 1964, the federal government has

agreed to turn over 75 per cent of the succession duties collected to the provinces of Canada. This would mean that such a resolution, if it were considered by the government, would have to be done in consultation with the provinces, who would naturally be affected through their revenues if the payment were spread out over a longer period of time.

It should be mentioned that cognizance of this problem has been paid in the income tax law, which permits companies with large surpluses to get out the surplus by paying a modest tax, at a rate of 15 per cent, on certain conditions. In this regard I would refer the hon. member to section 105 of the Income Tax Act. The remaining tax-paid surplus can then be used to meet estate tax.

I would like to refer the hon. member to a memorandum submitted to the royal commission on banking and finance by Dr. A. K. Eaton, on October 23, 1962, and I would take the liberty of quoting from it:

It was suggested that comment might be offered in this memorandum on the problem of meeting payments called for under death duties (presumably federal estate tax and provincial inheritance taxes). The question relates not to the absolute burden of the tax but the problem of arranging affairs to have sufficient liquid assets on hand to meet the payments within the required time. Possibly the main point of concern here is whether death duties in Canada have the effect of driving the family type of business into selling out—assets or shares—to public companies, particularly foreign public companies, in order to meet tax obligations. If this were so, it would be regarded as bad.

Perhaps as a general rule it can be said that insurance is the greatest source of liquidity in estates in Canada. The addiction of Canadians to insurance is something to marvel at. It is very useful, however, as a source of ready cash to meet death duties. Normally also, most estates will show fairly substantial holdings of marketable securities, bonds which have a ready market and stocks of a type and diversity that create no problem upon fairly quick realization.

The greatest liquidity problem arises, of course, in estates where the sole or main asset is in the form of "any income right, annuity, term of years or life or other similar estate". Here, the federal law allows the tax applicable to such property to be spread over six years without interest. There are no such special provisions relating particularly to the situation where the main asset is a closely held family business—a going concern. There is, of course, a general provision in the law which gives the minister discretion to postpone tax (with interest up to 5 per cent) if he thinks the payment of it would cause "undue hardship or excessive sacrifice". It is not to be expected, however, that the necessity of selling out a family business at a fair price, where no preparation had been made by the deceased for meeting taxes on his death, would be regarded by the minister as either hardship or sacrifice. It would probably be looked upon as just plain carelessness.

In approaching this question of liquidity in the case of closely held family businesses, there is no point in attempting to sidestep the fact that death duties are very high in Canada. Plenty of family businesses are worth $1 to $2 million. The tax (federal and provincial combined) on $1 million is just over $300,000 and on $2 million, it is nearly

[Mr. Benson.]

$800,000. From a $5 million estate, the tax would take close to half (54 per cent rate applies on excess over $2 million). Quite clearly, the so-called liquidity problem can be quite acute for estates of this size made up mainly of a single asset, a family business.

For smaller businesses, the problem is not nearly so acute. For a business worth $160,000 ($60,000 exemption for married), the tax would be $19,000. The man might have insurance enough to cover this and his son would be able to take over the business unimpaired.

An estate made up of a $260,000 business would have to pay $44,000 tax. Ordinary life insurance might not be expected to take care of all of this, so a trust company might have to be called upon to arrange for a mortgage on some of the business property for, say, $25,000. This should be practicable with no particular problem of retaining family control. Mortgage interest will, of course, cut into the flow of income to his heirs but this has to be expected. At the same time, the interest charge against the business is a deduction in computing profits for corporate tax purposes.

At the $560,000 level the problem is getting a bit worse. Here, nearly $150,000 will have to be found. Insurance can no longer be counted on to take care of much of the tax unless the deceased had been foresighted enough to have over the years taken out an insurance endowment policy specifically to meet death duties. Mortgages of higher amounts may have to be resorted to. Even so, it is reasonable to assume that up to the half million mark, there is no very good case for saying that the tax forces people to sell out a family business to a public company.

For a business of $750,000, the tax is just over $200,000, which calls for some pretty substantial financing. It would, however, still allow for a fairly reasonable equity-debt ratio for the business if a large portion of this tax liability were raised through mortgages.

Interest, of course, would be cutting deeply into earnings of the heirs but if the business were fairly profitable with good prospects, there should be no real hardship. Still, not a very good case could be made for abatement in tax provisions.

It is for estates of $1 million up that the so-called liquidity problem becomes acute. It was mentioned above that for a $1 million estate, the tax is over $300,000, for $2 million, nearly $800,000 and for $5 million, about $2.5 million. One cannot expect that tax money in these proportions will be available without careful planning a long time ahead. For the $5 million estate, it is too much to expect to have business as usual after the government has taken away half of it. Such a family business could only be continued as such if over a period of a good many years the proprietor had systematically built up a heavy position of liquid assets outside the business. He may have decided long ago that it was not worth it and accordingly, today finds himself among those who complain about taxation closing up his family business, having to sell out to pay tax. It is, of course, next to impossible to get a decent price for unlisted minority shares in a family controlled business.

Dr. Eaton continues on, and in the final paragraph of his submission he says:

Today the corporate tax on income up to $35,000 is only 21 per cent, with a 20 per cent dividend tax credit. This is fairly lenient tax treatment. The proprietor of the business can then gradually create tax paid undistributed income on hand and thus put himself in a position to borrow money on mortgage from his business and provide liquid funds for meeting estate tax. It is suggested here

that the way has been paved as far as is reasonably possible to enable family control of businesses in Canada to be maintained.

This was a submission by Dr. A. K. Eaton who used to be deputy minister of finance. To sum up, it would seem to be very difficult to ascertain or define the "appropriate cases" to which the hon. member refers in his motion, without discrimination; that the industrial development bank has been placed in a position to give the assistance envisaged by the motion in deserving cases; and that it is doubtful if anything more can be done without extensive revision of the provisions of the Estate Tax Act dealing with the time for payment and the rate structure, and without provincial co-operation.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I rise to support the motion moved by the hon. member for Wellington South (Mr. Hales). Little did I think when I used to pal around with his uncle at college in 1909 that I would be supporting a motion of his in the House of Commons in 1963. Before proceeding I must congratulate the parliamentary secretary on his magnificent and curate-like reading of the liturgy prepared by the income tax department for this motion. I thought he did it very well. In fact he reminded me of a curate preaching a sermon to a questionable couple he has just married, and he is not quite certain about the future life they will lead.

First, let me say that the hon. member has introduced this motion as a result of discussions with his constituents and a knowlledge of the hardship that has been experienced. I do not quite understand the resistance offered to the motion by the parliamentary secretary, in view of its very reasonable terms. I shall not read all the motion but it asks for consideration to be given "to amending the Estate Tax Act to provide for payment in appropriate cases of estate tax assessments by instalments so as to reduce the number of 'forced sale' liquidations of estate assets..."

It is asking consideration for a problem many people face. I listened carefully to what the parliamentary secretary read. He used several arguments and mentioned the industrial development bank as a source to borrow money. Let me remind him the time limit is six months, and it usually takes from a year to two years to negotiate a loan from the industrial development bank. I know that, because several constituents of mine have mentioned their problems to me.

Then he said there was a provision which provides for postponement of the payment of these death duties in cases of hardship. Mr. Speaker, just try it, and see how long it takes you to get the question of hardship recognized by the department. I must say that the parliamentary secretary speaks from the viewpoint of the Department of Finance. From listening to his remarks, on that point, and the others which he read, I take it there is a complete lack of understanding that this is a problem faced by a good many people in small businesses and on family farms.

The parliamentary secretary read at great length from a submission prepared by Dr. Eaton, and suggested one should arrange one's affairs in such a way as to have liquid assets to meet these taxes. Does not the hon. gentleman know that you can be farming on quite a small scale, and successfully in that you are paying your way, and you can be running a small family business successfully but very often such operations, carried on in some cases from generation to generation because they provide a living for the families concerned, have made very little profit at the end of the year? These are the persons who are affected. Dr. Eaton suggests, through using the hon. gentleman as his mouthpiece this evening, that in such cases insurance should be taken out by the families concerned. But very often there is not sufficient profit to provide the insurance required to meet these death duties, which can be quite substantial and have increased rapidly in recent years. There are many properties that were considered in the first instance to cost very little but which have developed throughout the years, and because of inflated values now have a very much higher value than was the case ten years ago.

This presents a problem to the small business people or the family farm. I know what I am talking about because I have spoken to constituents who fear this sort of thing. I am quite sure that the hon. gentleman who introduced this motion is also aware of this problem, and has met persons who have suffered because of the present Estate Tax Act. We are not talking about the wealthy people with whom the hon. gentleman was more concerned, because he mentioned persons who had $500,000 or $1 million. We are concerned with the little people. This particular problem does not arise with large organizations; they have liquid assets such as bonds and shares that can be sold. It is when one has to sell a family concern or farm that real hardship is created. These small businesses and farms have to be sold to meet the present taxes.

In supporting this motion, Mr. Speaker, I claim that the present law does not give consideration to the immediate responsibilities of the heirs and the problems they face, particularly in the smaller income groups that have been mentioned. Second, the present

legislation gives no consideration to the economic value to the country and the community of these small businesses and family farms, and in some cases small industry. I know small saw mill operators who have carried on quite successfully, not making much money, employing men from year to year and investing capital now and again in order to continue their operation. These people do not make much profit. They are people whose God is not the almighty dollar. They like to accept their responsibilities to the community. There is no consideration given to the economic value of these small businesses, family farms and so on. With those few remarks, Mr. Speaker, I conclude what I have to say, because I know there are other hon. members who wish to express their support for this very reasonable and practical motion.

[*Translation*]

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, the house is considering now a motion which we are very happy to support, and I wish to congratulate the hon. member for Wellington South (Mr. Hales) for having introduced it.

The motion urges the government to amend the Estate Tax Act in order to prevent the forced sale liquidation of many family business enterprises. In fact, Mr. Speaker, how many family businesses or industries, for instance, have been liquidated in Canada, especially in French Canada, owing to the implementation of the unfair Estate Tax Act? It would be really interesting to gather such information, because I know that we have suffered greatly from that situation, we of the province of Quebec, owing to the family type of business so popular in that province.

Mr. Speaker, family businesses have always been popular in the province of Quebec because they are consistent with French humanism. That is why most businesses or industries in Quebec are owned by families.

To date, we have many times witnessed the liquidation of businesses because the heirs or the executors had to sell some properties in order to pay estate duties. If legislation to provide for instalment payments of succession duties were enacted, it could help to correct a situation which has been truly disastrous, I would say in Canada, especially in French Canada.

And at this stage of my remarks, may I recall a great historic event to the attention of the house? It is that in 1760, just prior to the transfer of Canada to England, French Canadians had almost 100 million pounds of fiduciary money in circulation. Now, after the transfer of Canada, they were almost entirely dispossessed owing to the new currency introduced in the country by the invaders. And it is only through the amount of work done by French-Canadian families that family, commercial and industrial wealth was restored and that there was gradually developed a type of family business which, as I just said, was consistent with French humanism, with the French type of business.

Today, many businesses are turning to the Anglo-Saxon or capitalistic type of company because there is a propaganda urging French Canadian industrialists and businessmen to operate as public companies, especially to protect themselves against the problem of succession duties.

In my opinion, it is very unfortunate that we have to change this type of business which was the backbone of our people. However, for our own protection, we have to move toward this type of public companies, otherwise we would go on losing what we have succeeded in gaining, as we lost perhaps hundreds of millions of dollars in the past.

I hope that the commission which is inquiring into fiscal matters—I believe it is the Carter commission—will come up with practical solutions to reduce succession duties, for it is illogical that so many people and families who have acquired some property should be dispossessed in such a drastic fashion.

I feel that family property is sacred and I submit that governments have no right to dispossess families that way. That is why the Social Credit party is happy to support this motion which would slightly improve the present taxation system. We must go further than that, however; we must enact new legislation to bring about a considerable reduction in succession duties and taxes.

If all hon. members would take the trouble to examine the development of the monetary system throughout the ages, they might come to understand a little more easily how we passed, for instance, from the premonetary period to the bimetallism period, then to the fiduciary currency period and on to the credit money we have now in 1963—and God knows that credit money is practically the only one in circulation nowadays. Then we could proceed with monetary reforms allowing us to reduce the burden of enterprises, individuals and families.

[*Text*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I will only take a few moments to bring forward some of the reasons for my great interest in this motion. As a matter of fact, it was with a certain feeling of nostalgia that I listened to our genial hon. friend, the

parliamentary secretary to the Minister of Finance (Mr. Benson) give reasons that I have heard many times in this regard. I will not be at all reticent, Mr. Speaker, in telling the house that over the years I have advocated the principle of this particular motion. However, as with many other things, one sometimes has to wait a little longer for the better things in life.

I was interested, first of all, in the alternatives that the parliamentary secretary to the Minister of Finance indicated were available to businessmen under the Industrial Development Bank Act. I fully appreciate the attempt which was made in amending the Industrial Development Bank Act, but let me say this: it does not go far enough. I was fully aware that there have been no applications for this type of loan under the act. I know that in one case where application was made to protect a financial business worth at that time an estimated $3 million it was subsequently sold for $20 million. True, we are dealing with a big asset, but it is one where there had to be a sale and it was sold to foreign investment merely by reason of fear of the estate tax and the impossibility at that time of making adequate provision.

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 master 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 the 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 accumulated 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 come through knowledge acquired in my legal practice.

I would draw to the attention of the parliamentary secretary the discussion which took place in the taxation section of the Canadian bar convention this year. There were any number of representations in this regard. I find that most of the arguments against the principle are of an administrative nature. I would say that, in the case of a company, where there is an opportunity of getting an extension under section 16, there may not be too much sympathy shown on the part of the Minister of National Revenue. This is being realistic. It is my view that we should be able to make the appropriate changes in the act to provide for these cases, not only those referred to by the hon. member for Kootenay West (Mr. Herridge), but the much larger growth businesses of this country. I know at least half a dozen good companies which had to be sold. There was such an attractive offer of outside capital and, by that, I mean foreign capital, that on balance they said: Why put up with the worry about estate tax? Let us get the money now and we shall be able to sleep a lot more easily.

The parliamentary secretary spoke about the difficulties of retention of control. I think in the case of most of these companies the surviving owners are prepared to pay at least a proportion of the estate tax that is due. The balance can be put even on a basis of ten years, on annual instalments with interest. There is no doubt in my mind that with the continuing shareholders or the remaining shareholders carrying on the business, the business will stand a better chance of success than if it were to pass into other hands.

Now I come to this matter of payment to the provinces and the suggestion that the provinces would have to be consulted. But have they acquired a vested interest? I would say it goes only to the question of moneys paid in to the crown under the heading of estate tax or succession duties, and that a vested interest is not acquired in any estate whether within the boundaries of a particular province or otherwise. I am sure the act does not provide for that, nor do any of the agreements and, therefore, I cannot see that this question of the consent of the provinces would have anything to do with the matter. The provinces will ultimately get the money. This was an argument which did not carry much weight as far as I am concerned.

I think we have canvassed this problem sufficiently. I do feel that sufficient reason has been shown that the appropriate amendments should have been made to the act or at least been more seriously considered in the past. I am sorry the parliamentary secretary came to us with a speech or memorandum prepared on the basis of a closed mind in this regard rather than with a conciliatory, "we will have a good look at it". I think we should take a much better look at this question than we

have in the past, and I would ask members of the house to consider the resolution on that basis.

Mr. S. Perry Ryan (Spadina): When I first read the motion of the hon. member for Wellington South to amend the Estate Tax Act, the words "forced sale" intrigued me. As to the allegation that the severity of this act resulted, in many cases, in the loss of control of Canadian companies to foreigners, my first reaction was that this was not so. After looking into the matter I remain unconvinced. There have been some cases where the necessity of paying estate tax and provincial succession duty has been cited as the reason, or an additional reason, for selling a controlling interest in a company to foreigners or to a foreign company. This seems strange when one knows that any company with good management can easily make arrangements to pay the taxes due to both jurisdictions.

When one hears such talk he should consider whether or not an excuse is being given by an incapable or disinterested heir for his failure to assume an unexpected or unwanted responsibility. I would say from my own experience that in almost every case of such a sale the real reason is that death has brought about an unusual circumstance. There has been a change of management or there has been no management left whatever.

Some hon. Members: Six o'clock.

EMERGENCY GOLD MINING ASSISTANCE ACT

AMENDMENTS EXTENDING APPLICATION AND MAKING CHANGES IN ADMINISTRATION

House resumed consideration in committee on Bill No. C-124, to amend the Gold Mining Assistance Act—Mr. Benidickson—Mr. Batten in the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Clause 1 agreed to.

On clause 2—*Act not to apply in respect of certain mines commencing production after June, 1965.*

Mr. Peters: Would the minister explain the new section 4B as set out in clause 2? What is his interpretation of this provision in relation to adding other areas that have been mining areas in the past and are not at the present time?

Mr. Benidickson: Mr. Chairman, is my hon. friend not thinking of clause 3? I did agree this afternoon that I would readily accept an amendment to the schedule to include Beardmore in the list of communities, notwithstanding that clause 3 would still give the minister a right to add any other community that had not been properly thought of in the bill. The hon. member for Port Arthur explained this matter. Perhaps we overlooked Beardmore, simply on the ground it was not a community with a gold mine that was now getting a subsidy because it has a very high grade mine. However, if a similar circumstance should arise in the future we can add another community under clause 3.

Mr. Peters: I am really not asking a hypothetical question and it does not concern the Geraldton area. What I have in mind is the development in the last three months of a gold producer in the Matachewan area. Matachewan has not been classed as a gold mining area for some time and has not really had anything else since the mines there closed a number of years ago. I understand that Rio Tinto has done considerable development in that area and that within a year or two there is a possibility of a producing gold mine there which will be 14 or 15 miles from the town of Matachewan, but will be making use of the town. It is with that in view that I ask the question.

Mr. Benidickson: I think we recognized it would be very unfair if there had been beforehand investment, thought and work before the time of passing this bill that would not come into fruition in a mine. I think it was on November 27 that I explained we had about 19 months notice of this and my advice is that this is fairly satisfactory. I might tell the committee that since I made the announcement on November 27 I have not had the slightest objection from anybody.

Mr. Baldwin: Mr. Chairman, I want to make a very brief comment in support of what the hon. member for Pontiac-Temiscamingue said earlier in the debate. The effect of clause 2, as I see it, will not only be restraining but restricting with regard to the exploration and development of areas, particularly in the Northwest Territories to the north of my constituency where areas have been predicated initially upon this type of industry. I think we can look at the matter this way. It is not only a question of the actual moneys expended and the contribution to the economy in respect of the mining operation. In my view this can be regarded as simply the fuse which brings about a far greater explosion. The addition to the gross national product, when you consider the moneys expended and the exploration and development, is very substantial.

Today in the Northwest Territories the search has been extended far beyond places like Yellowknife, and it is my fear that if this clause is passed and retained it may well lead to a very substantial reduction in the rate at which exploration is now taking place. In the light of the fact that the Great Slave Lake Railway will shortly be at the south shore of the lake, I think the people in the Northwest Territories feel that as a result of the combined rail-truck rate that will be available, exploration will be substantially increased; but I am afraid that in the face of this particular restriction in this legislation it is very likely that expansion may not take place. I wanted to put my views on the record in support of what the hon. member said, because I think they are the views of many people in the Northwest Territories.

Clause agreed to.

Clause 3 agreed to.

On clause 4.

Mr. Benidickson: I can't, but perhaps my colleague would move the amendment.

Mr. Pickersgill: On clause 4 my colleague, the Minister of Mines and Technical Surveys, has asked me to move:

That the schedule be amended by inserting therein in the sixth position thereof the words "Beardmore, Ontario".

The Chairman: Shall the amendment carry?

Mr. Peters: Mr. Chairman, I should like to move that Matachewan, Ontario be added to the schedule in clause 4 after Madsen, Ontario.

Mr. Benidickson: I have no objection to that. I think it is the kind of amendment though that might involve an impost on the crown and perhaps will have to be moved by one of my colleagues. We want to be inclusive in this thing but, as I said, on the other hand we have the opportunity under clause 3 to add, if necessary.

Mr. Pickersgill: I will be glad to take over the hon. gentleman's suggestion and move this amendment.

The Chairman: Will the hon. member submit his amendment in writing.

Mr. Pickersgill: If he will tell me how to spell it I will.

Mr. Peters: M-a-t-a-c-h-e-w-a-n.

Mr. Winch: Do I understand that the Minister of Mines and Technical Surveys is prepared to accept it?

Mr. Benidickson: Yes.

The Chairman: Is it the desire of the committee that the amendment now proposed by the hon. member for Timiskaming should be incorporated in that moved by the Secretary of State? Agreed?

Some hon. Members: Agreed.

Amendment agreed to.

Clause as amended agreed to.

Title agreed to.

Bill reported.

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

Some hon. Members: By leave.

Mr. Benidickson moved the third reading of the bill.

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

SMALL BUSINESSES LOANS ACT

AMENDMENTS EXTENDING LOAN PERIOD, ESTABLISHING NEW PERIOD, ETC.

Hon. J. W. Pickersgill (for the Minister of Finance) moved the second reading of Bill No. C-122, to amend the Small Businesses Loans Act.

Mr. E. J. Benson (Parliamentary Secretary to Minister of Finance): Mr. Speaker, this bill contains amendments to the Small Businesses Loans Act which would enable the banks to continue making business improvement loans under this act beyond the end of the year. The present authority in the act for government guarantees of such loans expires on December 31, 1963. Legislative action must be taken now if guaranteed lending operations are to continue beyond that date.

Hon. members will recall that the royal commission on banking and finance was established in 1961 to undertake a broad review of the functioning of the Canadian financial system. The commission is expected to report within the next few months, and it can be anticipated that the commission has reviewed the whole question of financial facilities available to business, including small business enterprises. We have decided, in the circumstances, not to undertake an over-all review of this act until we can do so in the light of the report and recommendations of this commission. The proposed bill before us is accordingly limited to extending the act for another three years and to some clarifying amendments to the security provisions of this act, which can be usefully made at this time.

The Small Businesses Loans Act was passed three years ago to provide term credit for a wide range of business improvement projects to the proprietors of small business enterprises engaged in manufacturing, wholesale

and retail trade, and in service industries. Loans of this type are made by the chartered banks with a government guarantee. The act limits the guarantee in effect during the current lending period, that is since inception to December 31, 1963, to a maximum of 10 per cent of the total of all secured loans made under the act by each bank, provided the aggregate principal amount of all guaranteed loans made by all banks does not exceed $300 million. In effect, this limits the government's maximum contingent liability in respect of losses on business improvement loans to $30 million.

During the first year of operations, in 1961, some 2,800 guaranteed loans totalling $25.6 million were made by the banks to small business enterprises. The number and volume of loans made under the act during 1962 were of similar magnitude, close to 3,000 loans totalling $25.7 million. Complete figures for 1963 are, of course, not yet available.

Turning to the specific provisions of the bill, clause 1 would amend subsection 2 of section 3 of the act to change the date to which guaranteed loans can be made from December 31, 1963, to December 31, 1966.

The Small Businesses Loans Act, like the Farm Improvement Loans Act and the Fisheries Improvement Loans Act, on which it was modelled, runs in three-year periods.

Clause 2 would amend sections 5 and 6 of the act to provide an additional lending period, extending from January 1, 1964 to December 31, 1966, during which guaranteed business improvement loans may be made by the chartered banks on the same terms and conditions as those applying to loans made during the first lending period. It also specifies that the aggregate sum of total business improvement loans which may be made during this period by all banks under the government guarantee is $300 million, the same limit which applied to the first lending period.

Clause 3 of the bill deals with section 8, the security provision of the act. This section, in general, empowers the bank to take mortgage security, including chattel mortgage, on loans made under this act notwithstanding section 88 of the Bank Act. Some questions on the legal interpretation of this section have, however, arisen in the course of lending experience, and it is considered desirable, following consultation with the bankers association, to clarify section 8 in two respects. First, the proposed new section 8 would make it explicit that the Quebec commercial pledge comes within the scope of this section. The commercial pledge is a civil code concept comparable to chattel mortgage, which was made applicable to business by Quebec legislation earlier this year. The second change in section 8 would make it clear that mortgage securities can be taken not only as direct security for the repayment of a loan, but also in support of an endorsement or a guarantee given by a third party.

I am sure that hon. members will agree that the guarantee provisions of the act should be extended and that a review of its adequacy and effectiveness should be deferred pending the report of the royal commission on banking and finance. I can assure the house that it would be the government's intention to review the provisions of this act in some detail and to propose whatever changes are considered desirable after it has had an opportunity to consider the report of the commission, and that such a review will take into account comments and suggestions which have been or may be made in the house, as well as those of the business and banking community.

Hon. George C. Nowlan (Digby-Annapolis-Kings): I am sure the house appreciates the statement made by the parliamentary secretary to the Minister of Finance (Mr. Benson) in respect of this bill. This measure, primarily, extends the period of an act which was introduced by the government of three years ago and carries it on for another three years. I am sure the house appreciates the figures which have just been given to us by the parliamentary secretary indicating the number of loans which have been made under this act.

I have a fairly clear recollection of statements which were made when the original bill was introduced. Hon. members said that this bill would be of little effect and that no advantage would be taken of it by the people of Canada. The figures which have been read tonight by the parliamentary secretary show how wrong those statements were, as have most of the statements which have been made by hon. gentlemen opposite. Even the statement made by hon. members opposite when they were in the opposition were to the effect that this act should not be enacted. This was just another one of the steps taken by the preceding government which resulted in expanding the economy of this country, the benefit of which this government is receiving at this moment.

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, we shall support these amendments, which are very necessary but rather minor. I am pleased to hear the parliamentary secretary state that a more thorough revision of this act is now under way, because it certainly needs it. Some points which I think might well be considered are, a better rate of interest for small businesses receiving loans under the act; the amounts might well be increased; and there is another aspect, that is

that the loans cannot be received for establishing a new business. They are only for existing businesses. There are a number of cases in which people have bought into old businesses, and not very good ones, in order to qualify for a loan under the act. There are a number of things of this nature which I think might well be reviewed.

I was checking the debates on this topic, Mr. Speaker, when the act was amended back in 1961. I noticed two very important Liberals were interested at that time, namely the hon. member for Essex East (Mr. Martin) and the hon. member for Bonavista-Twillingate (Mr. Pickersgill). They made a number of suggestions to the effect that you could improve or strengthen the act. Perhaps the parliamentary secretary would refer those to the minister when this matter comes up for review. They described the act as inadequate and puny in some respects.

I should like also, Mr. Speaker, to mention to the parliamentary secretary that it is one thing to give help to small businesses in the way of loans so that they can become established, but it is another thing to keep them going. I hope that somewhere along the line the Minister of Finance (Mr. Gordon) will consult with his colleague, the Minister of Justice (Mr. Chevrier), with a view to strengthening our anti-combines legislation. I shall not go very far into this tonight, but I want to speak about it again when the justice estimates are under discussion.

It seems to me rather useless to give this aid to small business on the one hand and then leave them prey to very weak combines legislation such as we have now. I should like to suggest, too, that when this department makes a report on the Small Businesses Loans Act they try to make the report a little more complete. I have in front of me the annual report for 1962, which is a very poor document. There is a small amount of statistical material, but that is all. There is not really very much meat here. I think it would be very useful if we could get some examples of the type of business which has been assisted by this measure. This report is very meagre and inadequate.

However, to conclude, I may say I had a speech prepared on the basis of the fact that the legislation needs looking at, but I shall forgo making that speech tonight since we have the assurance that the act will be reviewed after the royal commission on taxation reports. Meantime, we support the proposed amendments.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, we in this party intend to support the amendments that have been proposed by the parliamentary secretary. He said that the act originally was to be of the same value to small businesses as the farm improvement loans legislation and other acts are to farmers and fishermen. However my experience with the Small Businesses Loans Act indicates it is not administered in the same way as the Farm Improvement Loans Act.

For example, we note there are some minor amendments broadening the basis for security, in the changes that are suggested. Under the Farm Improvement Loans Act a bank takes security only on the piece of equipment that is being purchased. In some cases it is necessary for a farmer to pay down 25 per cent or 30 per cent of the price, while the balance is financed over a period of from three to five years. Even if the farmer's credit rating is blemished a little, he is still able to avail himself of the provisions of the act, and small businesses should receive the same treatment.

I find that in many cases when a small business operator goes to a bank he finds there is no additional consideration given him, even though this act is in force. In other words, if a man's credit rating is not good enough for him to qualify under regular bank requirements for security, he is unable to get a loan under this act. Therefore I am pleased that the parliamentary secretary says the act is going to be reviewed and the basis for security should be broadened and extended. I did not hear him say the review would take place next session, in 1964, but I certainly hope that is the intention of the government. We give credit to whomever it was initiated this act, but I do not believe the practical application of it has been as extensive as was intended.

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, we greatly appreciate the amendments contained in Bill No. C-122 which tends to be more beneficial to small businesses in Canada.

In the past three years, many small businesses have been assisted through this legislation which, as the former minister of finance pointed out a while ago, was passed by the Conservative government and is now being renovated by a Liberal administration.

We are not interested in knowing which party did what, but we are greatly interested in the matter of loans granted to small businesses. While many small businesses received assistance, several others did not get any. They were asked to fill out forms, to offer guarantees and then their cases were subjected to unending studies.

The point I want to make is this. We have, for instance, the industrial development bank which assists small businesses and

even large ones and which lends money at higher rates than those of the chartered banks but for a longer period.

This bill will allow the chartered banks to ask for more collateral from people and small industries which apply for loans, for expansion purposes or to keep their business going.

How is it that the Bank of Canada, or the industrial development bank asks for a higher interest rate than the chartered banks and how is it that the same industrial development bank does not assume greater risks as far as small industries are concerned?

There are small businessmen, small shopkeepers who are confronted with hardship, who are faced with a dreadful situation, in our country, in every province.

Why does Bill No. C-122 not stipulate that both the Bank of Canada and the industrial development bank are authorized to assume more risks in order to give more help to small businesses, even if hundreds of them have already been helped in the past?

We will certainly support the proposed amendments, but we would like to see the government take action to facilitate access to more credit for small businesses, because the help granted is often inadequate. Then a small industry or a small businessman cannot go very far. The point is to lend them more and at a reasonable rate of interest, that is a rate of interest that will not dispossess them.

Mr. Speaker, we support the proposed amendments, but at the same time we suggest that the government should as much as possible place the industrial development bank at the disposal of these industries and small businessmen, with an adequate and reasonable rate of interest.

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I merely wish to make a suggestion to the Secretary of State so that he will have the time to make the necessary amendment before study in committee.

I notice in clause 3, section 8 (1) (a) (i) of the French version that reference is made to:

...un *mortgage* grevant des biens immeubles ou meubles...

In the same way, section (b) refers to:

...un *mortgage*, une hypothèque ou une cession du genre...

It seems that the Secretary of State could amend the French version of the act by using a French word instead of the word "mortgage" written in italics.

In the case of real or personal property, it is rather a "garantie privilégiée".

[Mr. Caouette.]

[*Text*]

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, this bill gives me an opportunity to say a few words about the success of the operations under the Small Businesses Loans Act which was introduced in 1960 and became really effective in 1961. The hon. member for Medicine Hat (Mr. Olson) was not sure who introduced it. I would like to tell him it was the former minister of finance, the Hon. Donald Fleming, in 1960, the same year that so much good legislation was put on the statute books.

My hon. friend from Wellington (Mr. Hales) who sits behind me, and who saw I was about to speak, warned me not to forget to tell how important the act has been for the tourist industry. I recall the many times I, and others, had the privilege of advocating assistance for service establishments to improve their accommodation and services to the travelling public. With the introduction of this legislation, and the inclusion of service establishments under it, tourist operations received a substantial lift.

The annual report for 1962 on the Small Businesses Loans Act, which came into our hands within the last few days, shows on page 10, under the heading "Loans to service businesses", that a total of 1,246 loans were made in the amount of $12,313,000. This means that 1,246 tourist operators, restaurant owners, motel and lodge operators have made substantial improvements to their establishments under the provisions of this act, and this accounts in no small part for the wonderful improvement we see in accommodation as we travel throughout the country. Just about the time this act was passed, the travel bureau was making a tremendous effort to reverse our deficit in travel account with the United States. In the year following the enactment of that legislation—although I know it was not entirely responsible—and in this current year there has been a wonderful improvement in our balance of payments in travel account. I will not go into that aspect now, except to state that it has improved. I think the fact that visitors have better accommodation, better restaurants and better facilities throughout encourages them to come to Canada and take advantage of the services that we have to offer.

It is not only the service businesses which have benefited, but also small businesses generally. On the same page of the annual report it is indicated that a total of 923 loans were made to the retail trade, totalling $7,710,000. The significant part of this report in tables 5 and 6 is that while the act was originally intended for the retail trade and small business, several of us who were

particularly interested in the tourist business prevailed upon the government, and in particular the minister of finance, to include service businesses in the act. This was done, and the minister at that time honoured me by acknowledging the efforts I had made. The significant part is that there were actually more loans made to service businesses than to the retail trades, which I think proves the advantage of including the service businesses in this act.

That is all I want to say on the bill, Mr. Speaker. We certainly approve the principle of extending the provisions of the act for a further period of time. There are still shortcomings in the legislation and they have become apparent as the act has been administered. I am glad to hear there is to be a review once again of the Small Businesses Loans Act and I hope we may be able to put it in a little better shape after the experiment of just over two years. The figures I have given of the total amount of loans actually only cover a period of one year, and I think this is indicative of the benefits Canadians have reaped from the Small Businesses Loans Act.

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I should like to express my feelings about this amendment to the small business loans legislation.

I am pleased to see that the act is under review. That is why I want to participate in this debate and I should ask the Minister of Finance or his representative to consider how the amended legislation will be applied.

It is probably because this act was encumbered with red tape that it did not help small businesses as much as it should have.

It was a complicated act for those who wanted to secure a loan: they had to submit applications, fill out forms and submit to extensive investigations. I believe that such red tape has prevented many businesses to take advantage of that assistance.

I would like this bill to be considered in the light of the planning which has been proposed by the present government.

I wonder what those celebrated planning experts within the government are waiting for? They have stood in the forefront to sell the idea of planning as being a panacea. I see some of those experts: I see one in particular who has been formerly with the department of industry of the province of Quebec. I wonder what they are doing at the present time in the planning of industry in Canada so as to check unemployment as soon as possible.

Mr. Speaker, I think this Small Businesses Loans Act is a formula through which the present government can not only help already established businesses but mainly help towards the establishment of new ones. I think they could give special encouragement if they could provide a special interest rate in the case of businesses which would be engaged in the production of consumers' goods or of some small industrial machinery.

I think the industries setting up in the services sector are also useful. But I think at this time, we mostly need small businesses involved in the production of smallwares which are consumed every day in the country and which can be bought only on foreign markets. All we see is "made in Japan", "made in Italy", "made in France" or "made in England". We seldom see "made in Canada" as far as smallwares are concerned.

That, I believe, is the field of small businesses. In the old countries, the small enterprise is a major factor of stabilization thanks to which unemployment is inexistent, because they develop readily when they have some incentives.

Such encouragement, Mr. Speaker, is up to the hon. members opposite and to the planning officers to give. I think that it is in the matter of interests, that adequate incentive can be given to those small undertakings. They can also be given incentive in terms of taxation. I believe that the income tax reports they have to file to meet the requirements of the government should be simplified.

Mr. Speaker, my suggestion should be taken into consideration by everyone, if we wish that this legislation providing assistance to small businesses meet the purposes for which it is intended, namely to help existing businesses. Furthermore, it is our duty to stimulate our industrialists and to encourage them to invest and establish the industries required at the present time in Canada.

[*Text*]

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I want to make what might be termed a miniature speech. I rise to support the principle and purpose of this bill, which includes some necessary amendments as a first step to further amendments that we look forward to in the very near future. I want to say a few words on this matter because I see the parliamentary secretary is, shall I say, closer to the opposition in respect of the terms of this legislation than he was in the debate that occurred between five and six o'clock, and I am going to take the opportunity to make a few suggestions in view of the review promised by the parliamentary secretary on behalf of the government.

This type of legislation was advocated for years by members of this party and we were glad when the former government originally

introduced this act and also legislation to improve credit facilities for farmers. We must give them credit for that; they were both steps in the right direction. We look upon this as pilot legislation. This is the foundation upon which can be built an act that really works and serves the purposes for which it was enacted. It requires considerable amendment to meet various types of small business and small industry local conditions and circumstances. I have had some experience of the matter through discussing this act with retailers and small business people who have taken advantage of it, and a great many more who were unable to take advantage of it because of its present terms.

In view of the review that has been promised by the parliamentary secretary I am just going to take a few minutes to lay the groundwork for the philosophy which I think should govern the review when it is undertaken by the government. The development of monopoly control in business, with its consequent effect on small business, has been recognized in Canada for years. As I mentioned before, members of this party sought legislation of this kind for over 25 years in this house. I have read some of the speeches made in the house by the first members of this party. The retail merchants of Canada and other organizations made representations to government after government before they were able to get the legislation accepted by the government, or at least the pilot legislation put on the statute books of Canada. Then the government, commencing in 1956, published a small business manual, which I think was again published in 1957 and 1959. Later the small business branch of the Department of Trade and Commerce was established. The legislation that we are considering this evening followed those steps. I hope the parliamentary secretary is listening, because I want to quote some very good authorities. It may interest him to know that even John Buchan, former governor general of Canada, recognized this problem in his book "Pilgrim's Way" in 1940, in which he has this to say about the basic dilemma that confronts us now:

> Somehow or other, we must make our social and economic world more fluid. We must widen the approaches so that honest ambition and honourable discontent may have elbow room. The world must remain an oyster for youth to open. If not, youth will cease to be young, and that will be the end of everything.

I think that is very well put. The problems in small business have been considered in the United States and in other countries for some years. We are not alone in facing this problem. It is one which has developed because of the needs of a changing society. A cabinet committee in the United States made a report on small business in 1956. I think this is what prompted us to take action. In addition, a good deal of literature has been published on this subject. I wish to conclude by quoting from the United States report—I do not often go to the United States for my quotations but I think this one is particularly apt:

> Now is the time for all good men, regardless of party, to come to the aid of small business. The good society of the future which we seek in the face of war's terrible sacrifices cannot exist without small business, and small business cannot fulfill its part unless the necessary steps are taken to allow it the opportunity to function. This means giving it access to capital, especially equity capital, the vigorous enforcement of anti-monopoly laws, and encouragement in the way of tax relief or incentives.
>
> Once again we must choose. Either we wish to maintain free enterprise, modified in the course of industrial evolution to fit a twentieth century abruptly with our traditions to embrace a society of big business only, with cartelization and monopoly as accepted features.

I think that is very well put when one considers the source of the quotation. Members of this group believe that socially desirable free enterprise, where the genuine element of competition has free play, has a significant and important role to perform within the framework of a democratic and socialist planned economy directed towards definite economic and social objectives and designed to provide peace, plenty and progress for all.

In concluding I suggest that the review which it is proposed to undertake should include an extensive study of the operations of this act across Canada in various regions and in various fields. I have found that in many cases small business people require more information. I was talking to a businessman in Trail this summer. He had spent $25,000 improving his premises and then he applied for a loan under this legislation in order to buy stock. If he had been informed as to the situation he would have borrowed the money to improve his premises and kept his capital to buy his stock. That was unfortunate. I am familiar with other instances of local businessmen, sound men in their own enterprises, who lack an understanding of the operation of this act. I draw this situation to the attention of the parliamentary secretary. Again, I find that some bank managers are not too co-operative. I know four or five cases where businessmen who went to a bank intending to take advantage of the provisions of the act were, to some extent, cold shouldered. As a result, they applied to the credit union in that city to borrow the money that was necessary, in some cases up to $10,000, and without difficulty, because their enterprises were sound. On the other hand, some managers were co-operative and

anxious to inform local businessmen as to the terms of the act and how they could take advantage of it.

I suggest that some of the officials of the department should visit certain regions and become acquainted with the opportunities which exist there for the expansion of small business. In the constituency from which I come there is an opportunity for the expansion of small lumber businesses. Other men are in the logging industry contracting for larger companies. There are opportunities for the expansion of the tourist industry. I know a few tourist operators who have been taking advantage of this act; the loans have been of benefit to them. I know others who could not qualify because of particular circumstances.

In conclusion I would urge, again, that the department send some of these officials out into the field. There is nothing like talking to these people. It would be a good idea to get in touch with businessmen's organizations, chambers of commerce and farmers' organizations interested in business in a small way, in a co-operative way. Thus the officials would get a picture of the numbers and the kind of people whom this measure is intended to serve. It might also be a good idea to have a school for bankers, perhaps one school in each province. The purpose of the act could be explained at these schools, and the suggestions of those attending could be sought. I am sure that in this way we could greatly improve this pilot legislation so that, ultimately, it would perform the function it is intended to perform.

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

On clause 1—*Time after which minister not liable.*

Mr. Benson: I should like to assure all members opposite that I have listened with great care to their representations with regard to this legislation and, like the members of the official opposition who spoke, I believe that this legislation, which they brought in, is good initial legislation. We hope that in the years to come we can make it even better legislation, and I assure them that we shall bear in mind, as well as the suggestions they have made, the suggestions which were made by the hon. member for Essex East and by the hon. member for Bonavista-Twillingate when they were on the other side of the house.

Mr. Aiken: I wonder if the parliamentary secretary has any information as to the loss ratio under the act?

Mr. Benson: The losses under this act, up to the report we have here, have been nil. A few losses have been incurred to date, in 1963, but I am informed by the officials that they are infinitesimal.

Mr. Douglas: On second reading the minister gave the figure of the total amount of loans granted. Could he tell us again what those figures were?

Mr. Benson: They were roughly $25 million and $28 million in the two years which have been completed. There could have been many more loans made under the act, had they been applied for. The total amount of loans which could have been made was $300 million, so it is clear that full advantage was not taken of this measure. Like the hon. member for Kootenay West I believe a greater dissemination of information about this act among the business community would be useful and this could be encouraged by members of parliament, since the act is clearly useful to small business.

Mr. Douglas: In other words, the total amount of the loans made during this period of the act's existence is less than $60 million.

Mr. Benson: Together with the 1963 figures it would run, I think, in the neighbourhood of $90 million. It could have been $300 million had the loans been applied for and approved by the banks.

Mr. Douglas: Only about 30 per cent of the capacity has been utilized.

Mr. Benson: That is correct.

Mr. Douglas: In the new period there will be another $300 million of loans which could be granted. I think these facilities would be more fully utilized if there were some publicity given to them by putting pamphlets in the branch banks where they would be readily available to customers. I am sure the parliamentary secretary is fully aware that $80 million or $90 million does not begin to represent the kind of business credit which could be utilized. I should like to ask him a further question. When this measure is under review, what aspects of the act are to be considered—the methods by which the legislation is to be extended? Perhaps the hon. gentleman could say a word about this.

Mr. Benson: I can assure the hon. member that the entire act will be reviewed. As I mentioned on second reading, the department and the government have been waiting for the report of the royal commission on banking and finance. When that report comes down, the entire act will be reviewed in the light of its recommendations to see how the legislation can be improved so as to better serve its purposes.

Mr. Douglas: Then I take it, it is not the intention to leave such a review until 1966 when the act has to be amended again to provide for another period of loans?

Mr. Benson: No, it is not.

Mr. Olson: I have not heard the parliamentary secretary say, even yet, whether it is expected this will be ready for the next session of parliament.

Mr. Benson: I would not like to indicate that it would be ready for the next session of parliament. It will be several months before the royal commission on banking submits its report and it is evident that it will take some time for the report to be considered and for the act to be reviewed. I would not like to say it would be in the next session but I can assure the hon. member that it will be as soon as it is physically possible to do it.

Mr. Olson: Perhaps the parliamentary secretary would undertake to review the matter to the extent of making some major amendments with respect to the security required under this act. This is one of the greatest problems, and I think it is also one section of the act that is far different from the Farm Improvement Loans Act. If the report that he requires is not available for the next session of parliament, perhaps he can give us some assurance that the basis of security will be reviewed and some amendments brought in at the next session.

Mr. Benson: The hon. member will realize that I am not in a position to assure him what legislation will be brought in at the next session of parliament. I can assure him that his question with regard to the matter of security will be brought to the attention of the government and will be considered by the government.

Mr. Starr: Mr. Chairman, I think it is unfortunate that only some $90 million was lent out of a possible $300 million in that period of time. I do not think it has been a case of people not wanting to obtain loans. I believe many businessmen have applied for loans to branches of various banks where managers in some cases were not aware of the legislation or were not willing to make loans under the Small Businesses Loans Act, particularly to those people whose credit was such that they would be eligible for such a loan. I agree with the hon. member for Burnaby-Coquitlam that there should be a conference with the heads of the banks so that they can reach down into their branches, acquaint their managers with the Small Businesses Loans Act and thus give some impetus to the matter. I think it would have a great effect not only on the expansion of business but also on the economy generally.

Mr. Benson: I will certainly bring the hon. member's representations to the attention of the officials who are responsible for administering the act.

Mr. Douglas: Is there a booklet or pamphlet that we could get so that the boards of trade in the various constituencies could be circularized? I am not referring to obtaining any tremendous quantity but simply sufficient for that purpose.

Mr. Benson: I am not sure that there is. I believe there was a pamphlet put out but I am not sure. However, I will look into the matter.

Mr. Douglas: If such a pamphlet were prepared and distributed early in 1964 it seems to me it might result in a much larger number of loans being made in the next three year period than in the last.

Mr. Benson: I agree that the aim should be to see that the provisions of the act are more fully utilized in the future and I think the hon. member can be assured that with such an active government in power every opportunity will be taken to see that the act is more fully utilized.

Mr. Nowlan: Mr. Chairman, I might say that the preceding government, which was much more active, issued a booklet and everybody was advised of the nature of the loans which could be made under the act.

Mr. Aiken: Mr. Chairman, there is one matter I should like to have reported upon, while the royal commission and the government are considering this matter. As the hon. member for Ontario has said, one of the difficulties under the Small Businesses Loans Act is that many bankers do not seem to be fully aware of the loans which are available under this legislation and, furthermore, are somewhat reluctant to use the provisions of the act. I know that in quite a number of instances applications for loans to banks under the act have resulted in the bank making a direct loan without using the provisions of the act. I should like to have an inquiry made from the banks and some report, if possible, as to the amount of loans stimulated by applications under the Small Businesses Loans Act which the bank may not have felt required a government guarantee.

If we had those figures I think we would find that the effect of the Small Businesses Loans Act has probably been much greater than appears in the report. I know of many cases where people wanted loans and the banks felt they were good security risks and

made the loans to them directly, instead of making them under the Small Businesses Loans Act. I think that figure would be very significant.

Mr. Benson: From my previous experience in professional practice as an accountant I found that in many instances businesses had approached banks for loans under the Small Businesses Loans Act but the loans were made on the credit of the individuals without the banks considering the government guarantee necessary. However, I doubt that the information requested would be available inasmuch as we would only have a record of loans that were actually made and forwarded to the government for guarantee. I doubt that the information could be accumulated.

Mr. Aiken: I am merely suggesting that the information could possibly be secured in general form, if not in statistical form, if the banks would seek such information through reports from their managers.

Mr. Benson: I would think that in a general way that might be true.

Clause agreed to.

Clause 2 agreed to.

On clause 3—*Bank security.*

Mr. Baldwin: Mr. Chairman, I want to make a very brief observation and ask a question of the parliamentary secretary. I understand that the purpose of clause 3 is to clarify certain doubts that may have arisen with regard to the original legislation, and the clause purports now to include a commercial pledge of movable property as required in the province of Quebec and refers to the types of security that can be taken and also the security given by guarantors. The question which runs in my mind is this. Is this amendment intended to validate securities of this description which might have been taken in the past or is it simply to deal with those which are taken from now on? I have no brief in this matter one way or another, but I think it might be useful to set at rest any doubts that may exist in the minds of those in the banks who may have taken securities of this type.

[*Translation*]

Mr. Gregoire: Mr. Chairman, I wonder if the parliamentary secretary to the Minister of Finance (Mr. Benson), would be ready to change the words I mentioned a moment ago? I think that the specific term which should be used in both places is the word "guarantee".

The word "mortgage" is in italics; if taken in its English sense, it has one meaning, while in French, it may have quite a different significance.

Even in the English sense, the term may have two different meanings, and I feel that in both paragraphs the words which are used may lead to a misconstruction.

Perhaps the parliamentary secretary would be ready to suggest the replacement of the word "mortgage" by the word "guarantee"?

[*Text*]

Mr. Benson: In answer to the hon. member for Lapointe may I say that I am informed by the Minister of Public Works that the word "mortgage" is a proper word in French. It is in *Petit Larousse* as a proper word and it is quite proper to be used in this sense.

[*Translation*]

Mr. Gregoire: Mr. Chairman, the word may be in the *Petit Larousse* but I will make bold to point out that it is written in two words, with a hyphen. In days gone by, the term was applied to various articles that people deposited in pawn-offices or in religious communities, and for which they had to pay an exorbitant interest rate. A time came when that method was forbidden. Such a method was called in French *mort-gage*. Today the word does not have the same meaning as in previous centuries; as the word is written in italics, I feel that in the French text it retains its English meaning.

Mr. Deschatelets: Mr. Chairman, I think that the remarks of the hon. member for Lapointe (Mr. Gregoire) are well founded.

I studied the bill, a little while ago, and I must say to the hon. member that there is a fundamental difference between the civil code of the province of Quebec, which was modelled on the Napoleonic code, and the British common law.

Moreover, as the word "mort-gage" is used in French, I am of the opinion, according to the *Petit Larousse*, that we would be ill advised to move this amendment tonight as the experts who have reviewed the text have precisely taken into account the differences between the common law and the civil code of the province of Quebec.

Besides, I am convinced that if there had been a serious mistake in the use of the word *mortgage*, I would support the remarks of the hon. member. But as it comes to use one word authorized by the *Petit Larousse*, I wonder if it would not be advisable, under the circumstances, to let the text stand as it is now.

Mr. Martineau: Mr. Chairman, with reference to the explanations given by the Minister of Public Works (Mr. Deschatelets) who mentioned the definition of the word "mortgage" as it appears in the Larousse dictionary, I must say that I read this definition which is as follows:

"Gage dont on laisse jouir un créancier, sans que les fruits dont il profite soient imputables sur la dette."

This might very well be the minister's intention but, in my opinion, it is very doubtful.

I feel that the word *privilège* should be used instead, because a privilege can encumber personal property and real estate, whereas a mortgage can only encumber real estate.

Mr. Deschatelets: In the province of Quebec?

Mr. Martineau: Yes, in the province of Quebec.

Since this legislation would use a word which does not appear in the civil code of the province of Quebec, I agree with the hon. member for Lapointe (Mr. Gregoire) that we should perhaps substitute the word *privilège*.

Mr. Gregoire: Mr. Chairman, we accept the word *privilège* which the hon. member for Pontiac-Temiscamingue (Mr. Martineau) has suggested. The definition he has given is not quite the same as the one I read, but it is good just the same. It would be a pledge left with the creditor who would not enjoy the product.

Now, in this instance, if a man borrowed money from a bank he would not leave the pledge with his creditor. He will just simply continue enjoying the product of his pledge.

However, if we used the word *mort-gage*, as defined in the *Petit Larousse* dictionary, the objective of the act would not be served. Obviously, the person who drafted the bill gave a modern meaning to an English word; in this case, "mortgage" applies to both movable and immovable property. Now, in the province of Quebec, there can be no "mortgage" or *hypothèque* on movables:

Moreover, if you read the bill, you will see that the same words are used twice. Indeed, subparagraph (ii) reads as follows:

—a commercial pledge of movable property evidenced by a deed—

Throughout the bill, the word is used three times with both meanings. I feel that the word *privilège* would be quite adequate and would be agreeable to those who care for accuracy in legal terminology and in language in general.

[*Text*]

Mr. Macdonald: If I may, I should like to point out that not only are we attempting to translate an English word, but we are also attempting to translate an English concept of law. There is no such thing as a hypothec in the province of Ontario. Even in a riding such as that of the hon. chairman, Stormont, there is no such thing. What we wish to put in by virtue of this terminology is the concept of a mortgage. With a common-law mortgage the title transfers from the mortgagor to the mortgagee, which is unlike a hypothec. When you are referring to a mortgage in English and hypothec in French, you are referring to two different concepts. You have a hypothec in the province of Quebec, but it does not exist in the province of Ontario. For the people using the English language, we have to put in the word "mortgage", and for the French we use "hypothec", but we are referring to two entirely different forms of legal encumbrance.

[*Translation*]

Mr. Côté (Chicoutimi): Mr. Chairman, I hope that the subtlety of the French language will not put us on the warpath about this matter—the Wars of the Roses.

I know a big finance company which is named Credit-Mortgage, Credit M-G, Inc., which is related to the Societe Nationale D'assurance and the Societe d'assurance L'Economie, all subsidies of the St. Jean Baptiste Society of Montreal, which, in other respects, takes guarantees or privileges on real property by using the word *mort-gage*, as indicated a while ago by the Minister of Public Works.

That is why I am personally in favour of this word.

Mr. Martineau: I should like to put to the parliamentary secretary to the Minister of Justice (Mr. Macdonald) a question relating to the definition of a mortgage enjoyed by a creditor.

Is it then the intention of the legislator that the bank, which is the debtor in this case, which grants the loan, takes as security the property of the borrower or of the businessman who obtains a loan in accordance with this act?

Before giving him a chance to reply, I think that he will say: Not at all. If his reply is "Not at all", this word has no longer any meaning, and that is why I suggest that it be striken out and replaced by the word "privilege".

[*Text*]

Mr. Pickersgill: I should like to say a word about that. The hon. gentleman was a privy councillor when this bill was introduced, upon the recommendation of the government of which he was a supporter. They must have had some reason for putting it in at that time. Perhaps the hon. gentleman can tell us.

Mr. Martineau: I think the Secretary of State is making an argument *ad hominem*. If I am not mistaken, the purpose of this bill

before the committee is to improve the act. The Secretary of State, by his intervention, has certainly not improved either the bill or the general tenor of this debate. I should like the parliamentary secretary, who seems to have much more knowledge of the subject than the Secretary of State, to give this matter his learned attention.

Mr. Pickersgill: I think the hon. member for Rosedale, the parliamentary secretary to the Minister of Justice, really explained the point. If the bill is looked at carefully, and I am speaking very seriously but without the learning and knowledge of people like the hon. member for Rosedale and the hon. member for Pontiac-Temiscamingue, you will see that the word is in italics. It is in italics because it is obviously meant to be an English word, not a French word. It is not meant to be a translation any more than hypothec, which is put in the English translation, is a normal English word. The law is being made for the whole of Canada, in both languages, and it must contain both concepts, the common law and the civil code. I believe the hon. member for Rosedale really made that point, and that is the reason the word is there.

Mr. Pigeon: I should like to ask, is it the intention of the minister to suspend the bill and consult Dr. Ollivier, the specialist on this matter?

Mr. Gregoire: Mr. Chairman, the Secretary of State has just clearly indicated that, in this legislation, the word mortgage is used in its English sense. It is thus, by the admission of the Secretary of State himself, an English word which is being used in the French wording of an act. Personally, I am not at all satisfied, not only from the language standpoint, but also from that of the meaning of the civil code, for the word mortgage in English corresponds to the word *hypothèque* in French, and according to the civil code of the province of Quebec, personal property cannot be mortgaged. But it is said in the act that:

—a mortgage upon real or personal property—

Therefore, not only is it proposed to use an English word, but also it is suggested to use it in a sense that would not be applicable under the civil code of the province of Quebec.

On the other hand, I maintain we are given a general description where it is said:

—a mortgage upon real or personal property—

At that point, the person who wrote the act realized that the sentence was ambiguous and, to be more explicit, he added:

—a hypothec upon real or personal, immovable or movable property—

He added, in the case of movable property:

—a commercial pledge of movable property evidenced by a deed—

Which means that the first term is a general one. Therefore, instead of using a specific term in a general context, I would use a general term in a general context, that is to say what the hon. member for Pontiac-Temiscamingue suggested: a privilege upon immovable or movable property. Then comes the provision: hypothec upon immovable property or a commercial pledge on immovable property.

Then the demands of linguistics and the civil rights of the province of Quebec are taken care of.

Mr. Deschatelets: Mr. Chairman, I think we can credit the hon. member for Lapointe with starting a very interesting debate. We are all very happy to have spent a few moments on that problem. But if he studies this bill closely, I think the hon. member for Lapointe will see that the word "mortgage" has been in the act for the last three years. It has been understood clearly and its meaning well established.

We admit that the hon. member for Lapointe raised a very interesting point, but I feel that, in the interest of all, we should leave the bill as it is, with the word "mortgage".

Mr. Martineau: Mr. Chairman, the argument advanced by the Minister of Public Works is not very impressive, because we are amending this act precisely to improve it and one of the reasons for which we want to amend this clause is that, under the civil code of the province of Quebec, the word "mortgage" is not always applicable. In fact we have the word "mortgage": a mortgage on immovable property. Here are listed a number of ways by which the creditor can be protected in the province of Quebec. As a rule, as there cannot be any mortgage on movable property in the course of business, we agree rather to a conditional sale by which the creditor becomes the owner of the property on condition that the debtor may repossess it by paying back the amount owed.

That is why we are not going to be stopped by the argument of the Minister of Public Works who says: The act was passed two or three years ago and nobody complained about that expression.

If, today, it is advisable to improve this legislation by replacing one word by another, I submit to the committee that we must do so.

[*Text*]

Mr. Marcoux: Could the parliamentary secretary give us the exact definition of

"mortgage", and "hypothec" since both terms are used?

Mr. Macdonald: The definition is as follows: a mortgage is the creature of English common law, as used in the other nine provinces; hypothec is a creature of the civil code as used exclusively in Quebec. In a mortgage the title in the property passes from the man who owns the land to the mortgagee, the man lending the money. Under the hypothec the ownership does not pass. From a lawyer's standpoint there are two entirely different concepts arising from two entirely different codes of law, and when the hon. member for Lapointe says mortgage is unknown in the civil code he is perfectly correct. I suggest the reason it is in italics is because it covers an entirely different system of law.

Mr. Martineau: I would like either the Minister of Public Works or the parliamentary secretary to explain what would be the position of a lawyer from Quebec reading this clause. If he refers to the debate which took place when the bill was being studied or adopted by parliament, he will see that the parliamentary secretary to the Minister of Finance stated the reason mortgage was in the French was because "mortgage" was a word recognized in the French language and found in the dictionary Larousse, and then he finds according to that dictionary "mortgage" is quite a different matter from what the bill envisages. Surely it is not the intention of the legislation that the borrower remit to the person who lends the money the goods he must keep in order to make his business operate?

Mr. Deschatelets: I think it is easy to answer. We should be practical in this field because we have to take into consideration that this act has been used for the past three years, and I am told there has never been any complaint, any misunderstanding as to the difference in terms in French and in English. The term is well known, and I think we should go ahead with the bill.

Mr. Martineau: The minister says there has never been any misunderstanding. I say there has been a lot of misunderstanding. I know many people who went to the banks in Quebec to apply for loans under this act and they were told, "We are very sorry. This act is not applicable here because under the civil law in Quebec we cannot get the required guarantee and therefore we must refuse a loan."

Mr. Gregoire: Mr. Chairman, I think the parliamentary secretary to the Minister of Justice tried to confuse the issue a little when he gave a definition of the terms. Further evidence of the fact is that another crown corporation is called "Central Mortgage" in English and "Societe centrale d'hypotheque" in French. In this case, "mortgage" is given the same meaning in English as *hypothèque* in French.

However, there can be no *hypothèque* on movable property in the province of Quebec and if we keep the word "mortgage", we will be going against the civil code of Quebec. If the word "mortgage" is to be applied to both movable and immovable property, I am afraid there will be confusion. In addition, as the hon. member for Pontiac-Temiscamingue said a while ago, the use of that word would not always be in accordance with the civil code of the province of Quebec.

I agree with the Minister of Public Works that this mistake has been existing for three years, but this is no reason to allow it to last forever. There is always room for improvement, in my opinion, and if a mistake has been made, let it be corrected and let the wording of the act be improved.

It is not the first time that members of the house have complained of sentences that are too long, of wrong punctuation, of improper terms and mistranslations. It is time to see that such mistakes are corrected. With enough suggestions of this type, the drafters will finally improve the wording and terminology of the statutes.

This is why I suggest that the Secretary of State, the parliamentary secretary to the Minister of Finance and even the Minister of Justice (Mr. Chevrier), who, I am convinced, was appointed Minister of Justice because he was a good lawyer, must admit that I have a good point when I say that the word *privilège* should be substituted for the word "mortgage" everywhere it is used. By doing so, we would meet the requirements of the language as well as those of the civil code and the common law.

[*Text*]

Mr. Macdonald: If I might just refer to that, I agree that the term "hypothec" is used in the French title of Central Mortgage and Housing Corporation, but I suggest that is a form of convenience. This is a technical statute, a legal definition of the type of property, and I would point out that the second line in the English version has absolutely no meaning in English law. The term "hypothec" imparts no legal right under the law of Ontario.

[*Translation*]

Mr. Gregoire: Mr. Chairman, I would like to know if the Secretary of State is ready to move himself that the word be changed?

[*Text*]

Mr. Macdonald: This, I think, illustrates better than anything else that we have two systems of law in this country.

Mr. Ryan: I would like to point out that at the time of William the Conqueror this word "mortgage" came into the English language from the French. At that time it meant a dead pledge. The French dictionary has the words "mort" meaning dead or lying idle and "gage" meaning pledge or pawn. The word "mortgage" is still in the English language but maybe it is not still in the French language.

[*Translation*]

Mr. Gregoire: Mr. Chairman, I would have liked to know whether the Secretary of State was willing to change the term in question.

[*Text*]

Mr. Fairweather: It is ridiculous to change the word just because the hon. member for Lapointe does not understand this is a statute designed for the whole country, and not one part of the country. We use one part of the clause for one part of the country, and the other part of the clause for another part of the country. This is bilingualism and biculturalism at its best, and I suggest that we get on with the debate.

Mr. Olson: I would like to ask the parliamentary secretary if the interest rate has been the same on all of the loans granted, regardless of their size, type of security, or the length of the loans? Is there one single interest rate or are there minimums and maximums?

[*Translation*]

Mr. Gregoire: Mr. Chairman, before clause 3 is carried, we would point out that we suggested to the government to use a term in keeping with language requirements and that the government is refusing to do so at present.

[*Text*]

Mr. Benson: The maximum rate under the act is 5½ per cent. The banks may charge a lower rate but they may not charge a higher rate.

Mr. Baldwin: Perhaps the parliamentary secretary would deal with the point I raised.

Mr. Benson: I can tell the hon. member that subparagraph (ii) and paragraph (B) are put in as a clarification. They could not possibly change the legal position of undertakings that had already been made.

Clause agreed to.

Bill reported and read the third time and passed.

28902-5—359½

World Exhibition Corporation Act

CANADIAN WORLD EXHIBITION CORPORATION ACT

AMENDMENTS RESPECTING SITE, NUMBER OF DIRECTORS, ETC.

Hon. J. P. Deschatelets (for the Prime Minister) moved the second reading of Bill No. C-120, to amend the Canadian World Exhibition Corporation Act.

Mr. Knowles: Mr. Speaker, I rise on a point of order with respect to this bill. As I have indicated, my interest is solely in a point of order and not in the substance of the bill itself. One of the best known rules of this House of Commons is that a money bill must be preceded by a resolution. All of us who are private members of course know this, for it certainly applies to any bills that we seek to bring in. It also applies to bills brought in by the government. This, I may say, arises not just from a standing order of the House of Commons or from some citation in Beauchesne, but rather from section 54 of the British North America Act, which reads as follows:

> It shall not be lawful for the House of Commons to adopt or pass any vote, resolution, address, or bill for the appropriation of any part of the public revenue, or of any tax or impost, to any purpose that has not been first recommended to that house by message of the Governor General in the session in which such vote, resolution, address, or bill is proposed.

That principle is carried forward in standing order 61 of the standing orders of the House of Commons, which says the same thing in standing order language, so that I need not repeat it. This principle is also confirmed in two or three citations in Beauchesne's—rather, I should say it is confirmed in a dozen citations, but I call attention to only two or three of them. I am looking at Beauchesne's fourth edition, citation 243, which says:

> All bills providing for the payment of salaries or for any expenditure whatever out of the public funds of the dominion must be first considered as resolutions in committee of the whole.

Similarly citation 355 of Beauchesne's fourth edition says:

> Bills involving expenditure of public money or taxation, and all measures involving a charge upon the people must be preceded by a resolution.

As hon. members are aware, Bill No. C-120 is one of a number of bills that first reached us on Friday. We did not know at that time what the bill would contain. I recognize that the point upon which I base my point of order might seem to be a small one, but the principle is one that I think we must recognize. The bill includes provision for increasing the number of directors of the body established by it. Though they do not receive any remuneration, they receive their expenses;

but in addition to that I would point out that for the commissioner general and the deputy commissioner general there has been added money for allowances. By the previous act they were provided with salaries but not allowances, but provision is now made for the commissioner general and the deputy commissioner general to receive allowances as fixed by the governor in council. I have read through the bill itself—

Mr. Pickersgill: Mr. Speaker, I wonder whether I could ask the hon. member a question?

Mr. Knowles: Surely.

Mr. Pickersgill: Has the hon. gentleman considered who is to pay these salaries?

Mr. Knowles: I cannot say that I have read in detail on that particular point, but it has been provided in this legislation, and the act we are now amending was brought before parliament as a money bill with a preceding resolution.

Mr. Pickersgill: That was a grant to a corporation.

Mr. Knowles: But the provision for these salaries and allowances is to be made by the governor in council. It is really improper for me to go into the sections of the bill at this point, except to make the reference to the fact that it is the governor in council that fixes the amount of the salaries and allowances these people are to receive. I submit, Mr. Speaker, that if this is the case this bill, even though it is a minor point financially, should have been preceded by a resolution.

Mr. Deschatelets: Mr. Speaker, I will be very brief in commenting on the different points raised by the hon. member. I think he has established very clearly that a money bill should be preceded by a resolution. There is no ambiguity there. But may I point out to the hon. member that on December 20, 1962, the act was passed and in section 11 it is provided that a grant not exceeding $20 million will be paid from time to time to the corporation of the world fair. Bill No. C-120 which is now before us makes a few minor amendments to the act. May I point out to the hon. member that any remuneration not provided for in the previous act will be paid out of the fund voted under that act. We are not looking for any additional funds; the funds have been voted and we are now asking for a few amendments to be made. I do not think that under these circumstances the jurisprudence quoted by the hon. member applies to this bill.

Mr. Knowles: May I point out, Mr. Speaker, that members of the privy council both present and former will realize that even if additional money is not asked for, the government can only spend money or assign money to those purposes for which parliament has given approval. This applies to estimates; the fact that a total sum of money has been voted does not give the government power to move that money from one item to another.

I submit that the act passed last December stated certain purposes for which this $20 million could be used. One of those purposes was the salaries of these two people. There was no suggestion in that act that any of this money could be used for the purpose which is now spelled out in the bill before us. I submit that even though not another dollar may be necessary to carry out these purposes, what we now have is a bill indicating a purpose which was not envisioned in the previous legislation. That is the nub of section 54 of the British North America Act, that there cannot be such a vote of money for any purposes that has not been first recommended to the house by message of the governor in council. I recognize that there may be no additional money involved. If there is additional money involved, it will have to be brought in in some other way later on. But a new purpose has been imported into the legislation that was not in the legislation when it was introduced last year.

Mr. Deschatelets: Mr. Speaker, may I point out to the hon. member that in the act passed on November 20, 1962 there was provision for the remuneration of officers of the world fair corporation; but no amount was mentioned, this being left to the discretion of the governor in council. I think—

Mr. Knowles: But there was no provision for allowances; that is something new that is being asked for. If it is not something new, why is it being asked for?

Mr. Deschatelets: I only want to add a word to this, Mr. Speaker. I think that once the funds are voted by parliament we should not require a resolution if we wish to bring in amendments to an act. I believe the points of order raised by my hon. friend have no application in this situation.

Mr. Olson: Mr. Speaker, perhaps it may be useful if I refer to a reference in Beauchesne's third edition at page 479 which certainly supports the point of order raised by the hon. member for Winnipeg North Centre (Mr. Knowles) and says:

> Another element which places this measure in the category of money bills is that its adoption would mean the transfer of the authority under which appropriated money is to be spent.

Further it says:

When money is voted, the main conditions imposed on its expenditure are embodied in resolutions. All the circumstances concerning its destination form part of the appropriation with which they are considered and if any alteration is to be made it must be by the same process as the original resolution.

Then it says that the circumstances under which an expenditure is to be made are indivisible from that expenditure.

Mr. Howard: Mr. Speaker, I wonder if at the time you are considering this question you would take this point into account. I raise it specifically because of the contention of the Minister of Public Works (Mr. Deschatelets) to the effect that once an allocation of money is made and set out in the statute, you do not need any further resolution amending or changing the manner in which that money will be spent. I do not have the specific reference, but during the session of 1962-63 when Mr. Speaker Lambert was in the chair I had introduced a bill seeking to amend the Trans-Canada Highway Act to say that moneys expended under that act could be used for the purposes of highways other than the specifically designated trans-Canada highway. The amount of money was provided by a previous amendment to the statute. I in no way sought to have the amending bill changed, or alter that amount of money; merely that it could be expended with the approval of the governor in council for another purpose, another type of highway, in the same way as this bill now before us seeks to say that the amount of money provided by a previous statute can be expended in another way, namely for allowances.

Mr. Speaker Lambert ruled the bill I had introduced to be out of order on precisely the same grounds as the hon. member for Winnipeg North Centre is saying that this bill is out of order. I appealed Mr. Speaker Lambert's decision. We had a division. The Minister of Public Works (Mr. Deschatelets) was then a private member and he and every one of his Liberal colleagues then in the house voted to support the ruling of Mr. Speaker Lambert, though they are now singing a different tune.

Mr. Pickersgill: Perhaps I may say a word on this. It does not seem to me that the hon. member has drawn a true analogy, because what he was seeking to do on that occasion—and I remember it very well—was to change the purpose for which money could be expended out of the treasury. In this case parliament made a grant of $20 million to a corporation. The grant has been made. There is no suggestion that anything be added to it and there is no suggestion that the money be used for any other purpose apart from the world exhibition. All this bill seeks to do is to restrict the manner in which the corporation spend this grant; the governor in council is now asking parliament to restrict the corporation a little further in what it can do with the money.

Mr. Aiken: We seem to be spending a lot of time discussing a point of order—a point of order which certainly seems to have some basis—and I wonder whether the minister would not consider withdrawing his motion, starting again and putting a resolution on the order paper.

Mr. Pickersgill: I think we had better hear from the Chair, first.

Mr. Aiken: I am trying to avoid, if possible, a ruling from the Chair and the chance of a division.

Mr. Pickersgill: We will accept the ruling of the Chair.

Mr. Knowles: Would the Secretary of State explain his use of language when he says that what is being asked is a restriction on the powers of the corporation or of the governor in council? Let me stick to this one point. The legislation as enacted last December says, in section 5(1) that the commissioner general and the deputy commissioner general "shall each be paid by the corporation such salaries as are fixed by the governor in council." The proposal is to amend that, so as to make it read "such salaries and allowances as are fixed by the governor in council". It seems to me that this is not restrictive. It seems to me that this is enlarging the way in which this money can be spent.

I could take up other aspects of the bill, for example, the enlarging of the area where the fair could be held. The geographical limits set out in the original act were much more restricted than those proposed in this bill. As I say, I find it hard to understand the language used by the Secretary of State (Mr. Pickersgill). If the bill, were, in fact, restricting the objects on which the money could be spent I would have no point of order, but it is precisely because the bill has brought in at least one new purpose which was not there before, that I think section 54 of the British North America Act comes into play.

In one of the citations which I read—I think it was citation 243—it says further down in the paragraph that if a bill such as the present bill gets into committee and the approval of the governor general has not been given in advance, it can be given at that time. I am not holding out for the suggestion made by the hon. member for Parry Sound-Muskoka (Mr. Aiken) that we should start over again, by having a resolution, if

this could be dealt with in another way; but having in mind the express provision of the British North America Act in this regard it seems to me we should be careful. I can see someone coming along later and saying these allowances were paid illegally and we would have another field day for the lawyers.

Mr. Nowlan: Let us hear from Mr. Speaker.

Mr. Deputy Speaker: I wonder if it would not be more conducive to good order and progress in the house if we were to let this matter stand and go on with the next item of business. There would, as I understand it, be no delay if the government decided to introduce a resolution to precede the bill; it would not kill the bill in any way. I am not suggesting that if a ruling were made by the Chair it would necessarily be in favour of the point of order advanced by the hon. member for Winnipeg North Centre (Mr. Knowles), but since time is advancing this evening it is the opinion of the Chair that the matter might be allowed to stand until tomorrow and the next order of business called.

Mr. Pickersgill: I was just rising to make the same suggestion to Your Honour. It was obviously a very debatable point we were discussing—a matter which only the Chair can decide. I may say at once the government is only too happy to abide by whatever decision the Chair may make in this matter but I think it would be helpful if we could, as you suggest, have this matter adjourned until the Speaker has had an opportunity to reflect upon it, and proceed to the next item of business.

Perhaps, while I am on my feet, you would permit me to inquire whether it might be the wish of the house to let us go on for half an hour so that we could hear the hon. lady give her exposition of the important measure which is the next order of business.

Mr. Nowlan: It is snowing outside now. We do not want any more of it.

On motion of Mr. Pickersgill the debate was adjourned.

PENSIONS

AMENDMENTS RESPECTING OLD AGE ASSISTANCE, BLIND AND DISABLED PAYMENTS, ETC.

On the order:

Second reading of Bill C-125, an act to amend the Old Age Assistance Act, the Disabled Persons Act and the Blind Persons Act.

Mr. Howard: Before the hon. lady makes her comments with respect to this bill I think we would do well to reflect on the suggestion made by the Secretary of State that we should sit half an hour beyond the normal sitting time in order that the hon. lady, or another minister, might make remarks of an introductory nature. Perhaps before we reflect on that suggestion we might consider it to be ten o'clock. This would give the hon. lady a fresh start tomorrow.

Mr. Pickersgill: Well, I suppose one bows to the inevitable.

Mr. Churchill: Has anyone called it ten o'clock?

We are prepared to go on for half an hour.

Mr. Howard: I thought I had made it clear earlier that it should be ten o'clock.

Mr. Chevrier: It is not ten o'clock yet.

An hon. Member: Thirty seconds to go.

BUSINESS OF THE HOUSE

Mr. Churchill: If it is now ten o'clock, may I ask what is to be the business for tomorrow and Wednesday?

Mr. Pickersgill: I think, in line with the suggestion made by Your Honour, it would be preferable to go ahead now with the bill on the pensions and then, perhaps, after that Your Honour could give a decision on the point which was raised and we would go ahead with the bill on the world's fair.

Then we would proceed to deal with the other two bills which were indicated by my colleague the Solicitor General, the measure concerning the auditors of the C.N.R. and the Currency, Mint and Exchange Fund Act. If these were to be completed I am sure, by consultation, we could get something more done tomorrow.

I am very grateful for the excellent co-operation there has been today and if we can get at least those four measures done tomorrow I think we can be much more hopeful about the conclusion of the session.

Mr. Churchill: What are the prospects for Wednesday—legislation or estimates?

Mr. Pickersgill: I think we should take estimates on Wednesday, and I hope to confer with hon. gentlemen opposite about which estimates will be taken. I would hope that on Wednesday the house would agree to sit either in the evening or, if that does not seem possible, at least until seven o'clock so as to make some progress with whatever estimates are before us.

It being one minute after ten o'clock the house adjourned, without question put.

HOUSE OF COMMONS

Tuesday, December 10, 1963

The house met at 2.30 p.m.

RAILWAYS, AIR LINES AND SHIPPING

CONCURRENCE IN THIRD REPORT—WITHDRAWAL OF MOTION FOR CONCURRENCE IN SECOND REPORT

[*Translation*]

Mr. J. T. Richard (Ottawa East) presented the third report of the sessional committee on railways, air lines and shipping and moved that the motion appearing on today's order paper concerning concurrence in second report of the sessional committee on railways, air lines and shipping presented on December 5, be withdrawn.

Motion agreed to.

[*Text*]

REDISTRIBUTION

PROVISION FOR ESTABLISHMENT OF ELECTORAL BOUNDARIES COMMISSIONS AND READJUSTMENT OF REPRESENTATION

On the order: Introduction of bills.

The Secretary of State—Bill intituled: An act to provide for the establishment of electoral boundaries commissions to report upon the readjustment of the representation of the provinces in the House of Commons and to provide for the readjustment of such representation in accordance therewith.

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I think there was an understanding which was set out by the Prime Minister and the Leader of the Opposition last Friday that this bill would simply be introduced so it would be visible to the public and, in accord with the suggestion made by the Prime Minister and agreed to by the Leader of the Opposition, would be available for discussion among the various parties and groups during the session. It was also clearly understood that the bill simply set out a method; that it was subject to all the qualifications I set out at an earlier stage; that in any respect except the fundamental principle of an impartial non-partisan redistribution it would be open to amendment from any quarter of the house in accord with the views of the majority of hon. members.

I should perhaps say one more thing. There is one point upon which I would not want to be thought to have misled the house. I gave an answer during the course of the debate to the hon. member for Parry Sound-Muskoka about the suggested method the government had in mind in its legislation of setting up the commissions and appointing the commissioners. In the light of the debate that particular suggestion has been changed, and the change will be seen in the bill. The provision there is not as I explained it to the hon. gentleman because it seemed to me that several hon. members made certain arguments that deserved consideration, and I did not want even to put forward the suggestion that was originally intended because it seemed to me there was a better suggestion than that to put forward. But it, of course, is open to discussion and amendment, and the government has no intention of proceeding with the measure in its present form beyond first reading.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, if I might be allowed to reply to the minister, my understanding, and I may have been mistaken, was that there would be no introduction of the bill but that there would be discussion among representatives of the various parties during the period of the Christmas recess or between this session and the next one.

I must say that in my opinion even first reading at this time will not bring about that measure of agreement that all of us desire. I would hope that the minister would consider holding it back rather than having first reading at this time, because introduction of this bill can only increase very considerably the discussion on the bill respecting the appointment of the official. I feel that the bill should not be given first reading at this time.

Mr. Pickersgill: Mr. Speaker, I am only too happy to comply with the suggestion of the right hon. gentleman. There was only one reason the government thought it would be desirable to introduce a bill indicating a method. It was thought that this might facilitate certain public discussion outside the house, and at the same time we would have a document that would be available in the house. But the main concern of the government in this matter, which concerns all of us, is to achieve the utmost harmony; and certainly if the right hon. gentleman did not understand we were to follow the procedure which I thought had been agreed to I would

not wish to proceed. Since the motion has not been put I would simply ask that the matter stand.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, before unanimous consent is given I should like to say that while I have no thought of disturbing any harmony which may or may not exist, the view of this party is that it would be most useful for us to have a draft bill, because if we had such a bill we could then better discuss the legislation having to do with the representation commissioner. Even though it is not intended to proceed with the bill at this session, it would provide a basis for discussion inside and outside the house, and we would be able to approach the problem at the next session much more intelligently if we had this material before us.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, it was our understanding that this bill would be presented in this way in order to do the very thing that the previous speaker has outlined, and we would support this procedure without question.

Mr. Pickersgill: Mr. Speaker, I wonder whether there would be agreement to have the matter stand over for the time being so there could be consultation through the usual channels, which I will undertake to carry out in the next few days.

Some hon. Members: Why?

Mr. Winch: There is only one person with any misunderstanding and that is the Leader of the Opposition.

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, if I may add a word in order that we may possibly have a clearer understanding of the situation, I would point out that the course now to be followed is precisely what I understood in the negotiations would be done.

Mr. Stanley Knowles (Winnipeg North Centre): May I ask the Secretary of State a question. If it is not possible to get the necessary harmony to go ahead with the introduction of the bill today, will he consider discussing the matter through the usual channels in the hope that the bill may be introduced before this session ends, so we can have it before us and can examine it before the next session?

Mr. Pickersgill: I thought that was precisely what I said, and that there was agreement with that view.

Mr. Nowlan: Yes, that is what you said, and there is agreement.

Mr. Speaker: My understanding is that this bill should stand. Is it agreed?

[Mr. Pickersgill.]

Mr. Pickersgill: At the request of the government, of course.

NATIONAL DEFENCE

ANTICIPATED REDUCTION IN ARMED FORCES AND CIVILIAN PERSONNEL

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, now that several days have passed since the minister of defence announced the cut-backs and reductions in defence estimates, is he in a position to advise, on the basis of the examination that must have been made in anticipation of his statement in this regard, what will be the number of personnel to be struck from the strength of Canada's armed forces, and what will be the reduction in civilian strength in consequence of this new policy?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I do not have this information with me at the moment, but I will try and get it for the right hon. gentleman if he would like.

Mr. Diefenbaker: Approximately.

Mr. Hellyer: The figures include one or two minor adjustments which are presently under consultation and have to be separated. If the right hon. gentleman wishes, either tomorrow or the next day I can try to separate them; otherwise I can give the detailed figures which will include all the proposals we have made when I get back from the NATO council meeting.

Mr. Diefenbaker: I think the house should have this information before the NATO council meets. The government has determined upon this course, and this very important information has not yet been vouchsafed the membership of this house.

Mr. Hellyer: I will take the question as notice, Mr. Speaker, and get the information.

Mr. Churchill: Will you do it by means of a press release?

TRADE

WHEAT—REPORTED INABILITY TO SUPPLY LARGER AMOUNT TO RED CHINA

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce. The Winnipeg *Free Press* for Saturday, December 7, carries an article which says that mainland China wanted 55,500,000 bushels of Canadian wheat in its second contract under the long term agreement but had to settle for 18,700,000 bushels. May I ask the minister if that is

correct, and why it was not possible to take advantage of this very large offer to purchase Canadian wheat.

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I can confirm, of course, that the wheat board did enter into a contract for half a million tons for the second half of the present crop year. The Chinese mainland authorities were interested in obtaining more at the present time. The wheat board, having in mind its commitments to its other customers, decided that it could not safely enter into a larger contract with mainland China at the present time.

Mr. Douglas: A supplementary question. Is this due to the lack of supply or the inability to handle wheat at the port facilities?

Mr. Sharp: Mr. Speaker, as I have explained on other occasions there is no lack of wheat in Canada today. The limitations lie in transportation, the capacity of terminal elevators, and so on.

REQUEST FOR REPORT ON MEETING WITH PROVINCIAL MINISTERS

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, since all members are interested in trade matters, could the Minister of Trade and Commerce inform the house of the result of his meeting yesterday with the ministers of industry and trade from the different provinces?

[*Text*]

Hon. Mitchell Sharp (Minister of Trade and Commerce): We had a very satisfactory meeting of ministers from eight of the provinces who gathered in Ottawa yesterday. The other two provinces whose ministers were unable to be present were represented by their deputy ministers. These were the ministers concerned with trade and industry, and yesterday we discussed the question of trade promotion. The purpose of this meeting was to co-ordinate trade promotion activities of the federal and provincial governments.

I think our discussions were most useful. We decided there was need for more co-ordination than in the past. This was agreed on the part of both the federal and the provincial governments. We laid plans to accomplish this co-ordination both at home and abroad. As far as the federal government are concerned, we offered the utmost co-operation to the provinces. We made it clear to them that we had no quarrel whatever with their activities in the field of export trade promotion. We believe that the more people who are promoting our external trade today, the better it will be for the country. In that spirit we offered to help train their people. We offered the utmost co-operation.

If I may say so, I think this was an example of co-operative federalism in action.

[*Translation*]

Mr. Lessard (Lake St. John): Mr. Speaker, may I ask a supplementary question? Could the Minister of Trade and Commerce tell us, in view of his great success in the sale of farm products from western Canada—wheat, in particular—whether he intends to try just as hard to sell products of the eastern farmers, namely dairy products and by-products such as butter, cheese, etc. since there is a surplus at the present time?

[*Text*]

Mr. Sharp: I can assure the hon. gentleman that in so far as external markets are concerned, the Department of Trade and Commerce does not discriminate amongst areas of the country. We give equal concern and equal attention to the products of all parts, including dairy products the exports of which my colleague the Minister of Agriculture and I are both promoting very actively.

Mr. A. D. Hales (Wellington South): May I ask the minister if either the depressed areas or designated areas were discussed at this conference?

Mr. Sharp: I understand that is being discussed today with these ministers when they meet my colleague the Minister of Industry.

Mr. G. L. Chatterton (Esquimalt-Saanich): May I ask the minister if he discussed with the ministers from the provinces the question of smaller loans by export credits insurance for export credit?

Mr. Sharp: Mr. Speaker, the federal officials who were present gave an account of our policies in this respect, but I do not remember there being any complaint from the provinces about the inadequacy of our services.

PUBLIC SERVICE

REQUEST FOR REPORT OF CIVIL SERVICE COMMISSION ON BILINGUALISM

On the orders of the day:

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I should like to direct a question to the Secretary of State.

In view of the fact that last August 1, the minister promised to table a report on bilingualism within the civil service, that requests to that effect were made last October 1 and

16 and that the Secretary of State again promised last November 7 to present a report within two weeks, is the minister now in a position to provide us with a report on the state of bilingualism within the civil service?

[*Text*]

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I will be glad to ask the chairman of this independent commission whether the report is yet available. As soon as it is I will bring it to the attention of the house.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to ask a supplementary question. Does the government intend to keep the promise it made a few months ago and give a bonus to bilingual employees?

[*Text*]

Mr. Pickersgill: That is a question of policy, and it is not normal to announce matters of policy in response to questions on orders of the day.

CONGRATULATIONS TO CANADIAN WINNER OF FRENCH AWARD

On the orders of the day:

[*Translation*]

Mr. Raymond Langlois (Megantic): Mr. Speaker, my question is directed to the Prime Minister.

Did the government send official congratulations to Dr. Leo Marion, vice president of the national research council, who is the first Canadian to receive the Jecker award from the Academie des Sciences of Paris?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, as it happened I wrote him a letter myself this morning on behalf of the government.

POST OFFICE DEPARTMENT

REQUEST FOR STAFF HOLIDAY ON BOXING DAY

On the orders of the day:

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Mr. Speaker, I wish to address a question to the Postmaster General. Postal staffs are working at full capacity to handle a terriffic flow of Christmas mail, and their great efforts should be suitably recognized. Will the Postmaster General consider granting a holiday with pay to regular postal workers on Boxing day, Thursday, December 26, when most places of business are closed? In this regard I am thinking particularly of the men who deliver the mail. By December 24 they will have earned a holiday with pay.

[*Translation*]

Hon. Azellus Denis (Postmaster General): Mr. Speaker, I have a great deal of sympathy for the postal employees and especially the letter carriers. I want to congratulate them in advance for the excellent job they will be doing, as they have done in the past, during the Christmas rush.

I am glad the hon. member made this suggestion. I am taking his question as notice and I shall give my answer in the near future.

[*Text*]

REPORTED USE OF PATRONAGE IN STAFF APPOINTMENTS

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): A supplementary question, Mr. Speaker. Has the minister any comments to make concerning the hiring of part-time employees in Montreal and Ottawa, during the Christmas period and at some other time, especially following the statement made by the head of the postal employees' association to the effect that this procedure was only a means through which the patronage handlers within the department could dish out their favours?

Hon. Azellus Denis (Postmaster General): Mr. Speaker, the question asked by the hon. member for Joliette-L'Assomption-Montcalm is surely not supplementary to one put to me by the hon. member for Moose Jaw-Lake Centre (Mr. Pascoe). In any case, I want him to know that there is no patronage as far as part-time jobs are concerned.

When the time comes to hire employees for the Christmas period, all applications are considered, As a matter of fact, all those made by persons who went to the Montreal post office, among others, were examined and more than 4,000 people were put to work.

Furthermore, as soon as school opens students from the various schools go to the post office and their names are taken down. At this moment most of them have been asked to come to work during the Christmas rush.

[*Text*]

Mr. D. M. Fisher (Port Arthur): My question is generally on the same subject, but it is addressed to the Prime Minister. It is prompted by the fact that the deputy minister of the Post Office Department engaged in a debate with some of his employees which led to the conclusion that there was patronage in the department on an accelerating scale. I should like to ask the Prime Minister if he

has given consideration to having a parliamentary committee look into the operations of the post office under the present leadership.

Right Hon. L. B. Pearson (Prime Minister): No. The estimates of the Postmaster General's department will be before the house in a few days, and there will be ample opportunity to discuss its administration then.

INDUSTRY

HEAVY WATER PLANT—CONSIDERATION OF REPORTED NEW METHOD OF PRODUCTION

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): I should like to direct a question to the Prime Minister. Is the government reconsidering the question of heavy water manufacture in view of the offer made by British American Oil?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the proposal of a certain company to the government indicating a new and cheaper method of manufacturing heavy water is now being considered by experts of the government, and a report will be made when that consideration is completed.

[*Later:*]

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, I have a question for the Minister of Industry. In view of the reply given by the right hon. Prime Minister to the hon. member for Parry Sound-Muskoka regarding heavy water, may I ask the Prime Minister if this would have any effect on the recently announced decision that a heavy water plant would be located in Nova Scotia?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I do not think an announcement was made to the effect that a heavy water plant would be located in Nova Scotia. The announcement made by the government was of a decision to approve negotiation of a contract with an efficient producer. If in the circumstances it turns out that the technological process envisaged by the present anticipated producer has in fact been superseded by a new and substantially more economical process, the government will have to give consideration to the new process.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. Did not the minister say the other day that the government had approved the giving of the contract to Deuterium Corporation of Canada; and would he not agree that if all other factors are equal—and I understood him the other day to say that they were—it ought to go to a low employment area such as Cape Breton island?

Mr. Drury: It is correct, Mr. Speaker, that I did announce the awarding of a contract which would result in this heavy water being produced in a low employment area. I would further agree that if all other factors are equal, the contract should go to a low employment area. I am sure, however, that the hon. member would not wish the government to embark upon the production of heavy water —which has a great potential future for Canada—by means of a process known to be obsolete. Unfortunately at the time the decision was made and the announcement was made knowledge of this new process, knowledge of this new breakthrough, if it turns out to be a fact, was not available.

Mr. Douglas: Mr. Speaker, is the minister suggesting that the basis upon which he made the announcement the other day was a process which became obsolete in one week?

Mr. Drury: It is possible that the process— I say it is possible—on which last week's announcement was made is in fact obsolete and was made obsolete by the technological discoveries in the course of one week.

Hon. George C. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, in view of the fact that this matter cannot be discussed on the orders of the day, I wonder whether the Secretary of State, as house leader, will undertake to have the remaining estimates of the Department of Industry brought before the committee of supply at the first available opportunity so that we can then discuss it much better and more intelligently than we can now.

Hon. J. W. Pickersgill (Secretary of State): I will be delighted to do that, Mr. Speaker, and the earlier the availability, the better.

Mr. Nowlan: Tomorrow?

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a supplementary question for the Minister of Labour. I wonder whether the Minister of Labour would take this opportunity to enlarge upon the statement of the Minister of Industry, in respect of the remarks he made at Sydney last week.

An hon. Member: They are obsolete.

Hon. A. J. MacEachen (Minister of Labour): No, Mr. Speaker.

[*Later:*]

Mr. Lawrence E. Kindt (Macleod): Mr. Speaker, I should like to revert to the question of the Deuterium Corporation of Canada and ask the Minister of Industry whether that corporation were permitted by his department and the government to revise their bid after all bids were in and before awarding the contract.

Inquiries of the Ministry

Mr. Drury: Mr. Speaker, I think the announcement made clear that the decision of the government was taken on the basis of the proposals made by the bidders, closing on May 31, 1963. Subsequent revisions and proposed alterations to bids were not taken into consideration.

Mr. G. H. Aiken (Parry Sound-Muskoka): A supplementary question, Mr. Speaker. Is the government bound by contract with Deuterium Corporation of Canada?

Mr. Drury: No, Mr. Speaker.

EXPORT TO U.S. OF PRODUCTS OF STUDEBAKER CORPORATION

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): I have a question for the Minister of Industry following upon the announcement that the Studebaker corporation will do all their manufacturing in Canada. Does the minister expect any difficulty in connection with the export of Studebaker products from Canada to the United States; that is, will there be any resistance on the part of the United States tariff authorities?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, in answer to the specific question, while I think we all regret the economic difficulties in which the Studebaker corporation has found itself in the United States, I would hope that the United States authorities would not interpose any difficulties in the way of those in the United States who wish to purchase the products of the Studebaker corporation from Canadian sources.

HOUSE OF COMMONS

MEMBERS' SECRETARIES TO BE KEPT ON STRENGTH DURING RECESS

On the orders of the day:

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, I have a question for the Secretary of State. Could he tell the house whether the board of internal economy has come to a decision as to what will happen, during the intersession, to the members' secretaries or stenographers?

[*Text*]

Hon. J. W. Pickersgill (Secretary of State): Speaking perhaps unwisely, sir, from recollection, I believe it was decided at the last meeting of the commissioners of internal economy that as the interval between this session and the next one would be rather short, it would be desirable to keep the secretaries of members on the staff during that interval.

[Mr. Kindt.]

POWER

COLUMBIA RIVER—INQUIRY AS TO PROGRESS OF NEGOTIATIONS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to ask the Secretary of State for External Affairs if he considers the time is now ripe to give the house the facts in regard to the negotiations respecting the Columbia?

Hon. Paul Martin (Secretary of State for External Affairs): These discussions are continuing, and they will be resumed today at four o'clock. When they are concluded, I think, would be the appropriate time, if the circumstances at that time warrant such action.

THE MINISTRY

INQUIRY AS TO POSSIBILITY OF CHANGES

On the orders of the day:

Hon. Paul Martineau (Pontiac-Temiscamingue): I should like to direct a question to the Prime Minister. In view of the widespread reports, I wonder if the Prime Minister could say whether any changes in the ministry are now imminent.

Right Hon. L. B. Pearson (Prime Minister): This is not the kind of announcement to make on orders of the day, Mr. Speaker.

Mr. Martineau: May I ask a supplementary question. Can the Prime Minister categorically state that no changes are imminent?

Mr. Pearson: Well, Mr. Speaker, I might take an airplane and go to Quebec during the Christmas recess.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): In view of the extraordinarily communicative attitude of the Prime Minister and his discussion about trips, could he tell us whether the Minister of Finance is about to take a trip to the United Kingdom to take over another position there?

Mr. Pearson: Mr. Speaker, my previous answer covered that point.

AIR TRANSPORT

SUGGESTED CONNECTION OF AIR TRAGEDIES WITH AIR TURBULENCE

On the orders of the day:

Mr. P. B. Rynard (Simcoe East): I should like to ask a question of the Minister of Transport, or in his absence his parliamentary secretary. In view of the recent tragedies in which jet planes have been involved, and the suggestion that marked air turbulence may have something to do with these accidents,

will the minister arrange for an investigation into this question immediately?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): In the absence of the minister I will take this question as notice.

LEGISLATION RESPECTING FEES FOR OVERFLIGHTS

On the orders of the day:

Mr. Erik Nielsen (Yukon): I have a question for the Secretary of State, and it arises as a result of research that I have been doing with others outside of this house on Bill No. C-117. This is the bill having to do with fees chargeable for overflights by international air carriers, and I wonder if it is the intention of the government to proceed with this legislation at this session.

Hon. J. W. Pickersgill (Secretary of State): Last Friday the Prime Minister indicated that this was not one of those measures that the government considered it essential to pass before prorogation. We will have to wait and see what progress is made with those items that are considered essential.

Mr. Nielsen: Can the Secretary of State say whether it is the intention of the government to proceed with Bill No. C-117 at all?

Mr. Pickersgill: The Secretary of State is not in a position to give any such information because he has not consulted the government as yet.

AGRICULTURE

SHEEP SCRAPIE DISEASE—REQUEST FOR ANSWER TO QUESTION

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): I should like to direct a question to the Minister of Agriculture and ask him when his department will be prepared to answer question No. 1,730, which deals with scrapie in sheep. I ask him this because there is a certain amount of urgency in connection with this subject. The question has been on the order paper now for two weeks, and there are a large number of sheep men in the country who are very concerned that there may be some skulduggery or patronage involved in this question. We would like to have some light thrown on it.

Hon. Harry W. Hays (Minister of Agriculture): In so far as scrapie is concerned, I might say we are having a meeting of the ministers of agriculture on the 16th, 17th and 18th, here in Ottawa, and we are going to discuss the matter at that time. Dr. Wells, our veterinary director general, has also been to the United States to discuss this problem. I hope that after this meeting we would have something favourable to report.

Mr. Woolliams: A supplementary question—

Mr. Olson: A supplementary question—

Mr. Speaker: The hon. member for Medicine Hat.

Mr. Olson: The information requested in question No. 1,730 is all statistical. It does not deal with policy, and I do not see any reason why it could not be answered before the meeting of the ministers.

Mr. Hays: I think, Mr. Speaker, we could better answer it at that time.

Mr. Eldon M. Woolliams (Bow River): My supplementary question is directed to the Minister of Agriculture and will be brief. How much compensation was paid to the same family in Drumheller in connection with loss resulting from this disease, and how much has this government paid as compared to the previous government?

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

Mr. Hays: I am not allowed to disclose this amount. The compensation was suggested by a committee of three from the Canadian sheepbreeders and two people from the department. Of course this deal was made between the producer and this committee, and it cannot be divulged.

Hon. D. S. Harkness (Calgary North): On what basis does the minister state that this information cannot be divulged? Information along this line has been divulged previously when requested in this house.

An hon. Member: This was a deal.

Mr. Speaker: I suggest that the minister take the question as notice.

[*Later:*]

Mr. Olson: Mr. Speaker, I would like to address a question to the right hon. Prime Minister arising out of the reply given by the Minister of Agriculture a few moments ago to the effect that he did not intend to divulge either the amount involved or the recipients of awards made because of the alleged diagnosis of scrapie. I would like to ask the Prime Minister under what authority the minister or the Department of Agriculture can make payments to anyone without divulging to parliament the amount and the recipients.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, this is a legal question which I will be glad to discuss with the Minister of Justice and the Minister of Agriculture.

CONSIDERATION OF BRIEF PRESENTED BY FEDERATION

On the orders of the day:

[*Translation*]

Mr. Raymond Langlois (Megantic): Mr. Speaker, my question is directed to the Minister of Agriculture.

Has the minister received the brief of the federation of agriculture and, if so, is he in agreement with that organization which states in its brief that if Ottawa needs new revenues, it should get them from taxation?

[*Text*]

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, I received a brief this morning from the federation of agriculture, which I have not had the opportunity to look at as yet.

FEDERAL AGENCY TO PROVIDE FEED GRAIN FOR EASTERN FARMERS

On the orders of the day:

Mr. Raymond Langlois (Megantic): Mr. Speaker, my question is directed to the Minister of Trade and Commerce. In the eventuality of having a board of eastern feed grains formed, could this board purchase its wheat directly from the wheat board, and would the minister see any inconvenience in that?

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

BUSINESS OF THE HOUSE

REQUEST FOR ANSWER TO QUESTION ON ORDER PAPER

On the orders of the day:

[*Translation*]

Mr. L. P. Antoine Belanger (Charlevoix): Mr. Speaker, I would like to direct a question to the Minister of National Revenue. Does he intend to answer before the end of the session question No. 1,168, which has been on the order paper since September 30 last?

[*Text*]

Hon. J. R. Garland (Minister of National Revenue): Yes, Mr. Speaker.

CONSIDERATION NEXT SESSION OF BILL RESPECTING BOUNDARIES

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I should like to ask the Prime Minister a question in relation to earlier statements and answers on the boundaries bill. On December 6 when the Prime Minister was announcing the business of the house he stated as follows, as reported at page 5507 of *Hansard*:

However, it—

That is, the government:

—is prepared to hold over the boundaries bill until the next session.

Are we not right in taking that as an assurance by the Prime Minister that it will be held over and not introduced now?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, it certainly will be held over in the sense that no action could be or would be taken in this session. That was the understanding I gave my right hon. friend the Leader of the Opposition, and certainly we intend to abide by that understanding.

CANADIAN FLAG

REPORTED COMMITTEE OF LIBERAL MEMBERS TO CONSIDER ADOPTION

On the orders of the day:

[*Translation*]

Mr. Robert Beaule (Quebec East): Mr. Speaker, I have a question for the Prime Minister.

Could the Prime Minister tell the house whether it is true that a committee of Liberal members has been created with a view to the adoption of a national flag?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Not to my knowledge, Mr. Speaker.

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): As a supplementary question, Mr. Speaker, can the Prime Minister assure the house that the government will declare one official flag for Canada, and not two or six?

Mr. Speaker: The hon. member for Danforth.

Mr. Reid Scott (Danforth): My question has already been answered.

PARLIAMENT HILL

REQUEST FOR EARLIER SANDING OF ROADWAYS

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): Mr. Speaker, may I direct a question to the Minister of Public Works. In view of the number of motor car accidents which happened last night on and around parliament hill, would the minister consider having hazardous areas sanded as soon as possible after snowfalls?

Hon. J. P. Deschatelets (Minister of Public Works): This is a very important question, Mr. Speaker, and I thank the hon. member for having brought it up. We will certainly look into it forthwith.

Mr. Frank Howard (Skeena): As a supplementary question, would the minister move with the same speed and alacrity with respect to the proposal for a second trans-Canada highway?

Mr. Deschatelets: Mr. Speaker, there is no decision as to when the provincial ministers of highways will meet on this matter. As my hon. friend knows, the subject was before the federal-provincial conference which met here in Ottawa two weeks ago, which was adjourned and which should meet some time in the coming year.

WORLD FAIR

DUTIES TO BE PERFORMED BY MR. GLEN BANNERMAN

On the orders of the day:

[*Translation*]

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, my question is directed to the Minister of Public Works.

Could he tell the house what will be the functions of Mr. Glen Bannerman who has just become a member of the world fair personnel?

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, may I suggest to the hon. member to wait until the bill relating to various amendments to the world exhibition legislation is called—that might be today —and then I will be pleased to answer that question.

[*Text*]

EXTERNAL AFFAIRS

POSSIBLE REDUCTION IN FOREIGN AID FOLLOWING U.S. ANNOUNCEMENT

On the orders of the day:

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, my question is directed to the Prime Minister.

Following the United States decision to reduce foreign aid by a billion dollars, does Canada also intend to reduce its aid to foreign countries?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker.

HEALTH AND WELFARE

FEDERAL CONTRIBUTION TO COST OF ANTI-SMOKING CAMPAIGN

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. I wonder if the hon. lady could advise the house what portion of the $600,000 for the anti-cigarette smoking campaign is being paid by the federal government.

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Mr. Speaker, as announced, this program is to cover a five year period, and all of it is to be financed by the federal government.

Mr. Hales: A supplementary question to the Minister of Agriculture. Does the minister propose to continue to pay the support price to the tobacco growers, to produce cigarettes?

TRADE

CHICKENS—REQUEST FOR PROTECTION OF CANADIAN PRODUCERS

On the orders of the day:

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, on Thursday last the hon. member for Wellington South asked me this question:

> Mr. Speaker, I should like to address a question to the Minister of Agriculture but in his absence I will direct it to the acting minister. In view of the fact that the European economic community has imposed a very high tariff on United States chickens entering those countries, and in view of the fact that the Americans will be looking for a market for this product close to home, what steps does the government propose to take to protect Canadian chicken producers?

This is the answer to the question. The higher tariff for poultry under the common market agricultural policy was placed in operation in August, 1962. The cut-back of United States imports subsequent to this time has had no effect on imports of United States poultry into this country. To December 6 of this year the imports of chicken, whole and parts, to Canada has actually decreased from 4,235,838 pounds in 1962 to 4,040,532 pounds this year, or approximately by 4.6 per cent. Chicken producers in Canada have a tariff protection of 12½ per cent, or a minimum of 5 cents per pound on whole chicken and 10 cents per pound on cut-up chicken. Our producers appear to be able to compete quite satisfactorily on this basis.

I am sure the hon. member now knows more about chickens than he does about tobacco.

Mr. Hales: Mr. Speaker, I thank the minister for his answer to my question of last Thursday, but I would now like to have him answer the question concerning tobacco. I do not think the chickens are going to use tobacco.

THE CANADIAN ECONOMY

STEPS TO MEET REPORTED INCREASE IN COST OF LIVING

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the

Prime Minister. The dominion bureau of statistics daily bulletin shows that the cost of living index is now at an all time high of 134, basis of 100 in 1949. It is up six tenths of one percentage point for the last two months and up over two percentage points in the last 12 months. I would like to ask the Prime Minister, has the government any plans in mind for dealing with this very serious situation?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the government shares my hon. friend's concern at this rise and is giving the matter consideration, but I cannot make an announcement at this moment on orders of the day on any specific steps that might be taken at this time.

BRIDGES

THREE RIVERS, QUE.—POSSIBLE REVOCATION OF ORDER IN COUNCIL

On the orders of the day:

[*Translation*]

Mr. Clement Vincent (Nicolet-Yamaska): Mr. Speaker, may I direct a question to the Prime Minister?

Has the Prime Minister been officially informed of the difficulties which exist between the corporation of the Three Rivers bridge and the Minister of Transport (Mr. McIlraith) with regard to the order in council of last March 4?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker, I know of these difficulties.

[*Translation*]

Mr. Vincent: Mr. Speaker, may I ask a supplementary question?

Does the Prime Minister intend to make a statement before long on that matter, thus offering a nice present to the citizens of my area?

[*Text*]

Mr. Pearson: I hope this matter will be cleared up in the near future, Mr. Speaker.

UNEMPLOYMENT INSURANCE

INQUIRY AS TO POSITION OF FUND

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, may I direct a question to the Minister of Labour?

Would the minister inform the house of the financial situation of the unemployment insurance fund and tell us how he intends to replenish it in case of a deficit?

[Mr. Douglas.]

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I have already given an indication, on behalf of the government, of the method to be followed in replenishing the fund at any time that is necessary. That method is well known and has been employed on several occasions in the past. As to the exact status of the fund at the moment, I have not the details but I will be glad to get them for my hon. friend.

FINANCE

REPORTED STATEMENT BY HEALTH MINISTER RESPECTING INSURANCE COMPANIES

On the orders of the day:

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, I would like to ask a question of the right hon. Prime Minister. A similar question was answered yesterday by the Minister of Finance. It arises out of the statement made by the Minister of National Health and Welfare that insurance companies can go bankrupt, like any other company. It is stated in this morning's *Gazette*, in an editorial:

> —it would be as well if the Prime Minister himself publicly corrected this serious error, no matter how it came to be made.

Would the Prime Minister like to make a statement at this moment?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker. I was not in the house yesterday, but I read what my hon. friend the Minister of Finance said and I quite agree with his statement.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. Would the Prime Minister agree that even though insurance companies are not likely to go broke, there is a greater possibility of their going broke than the government of Canada?

Mr. Nowlan: No, not the present government.

Mr. Pearson: I certainly agree with the hon. member for Burnaby-Coquitlam, Mr. Speaker.

LABOUR RELATIONS

MARITIME UNIONS—REQUEST FOR REPORT BY TRUSTEES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask a question of the Minister of Labour. Will the minister be presenting to parliament, before the session prorogues, an interim report of the trustees of the maritime transportation unions?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, shortly after this question was raised by my hon. friend I was in touch with the chairman of the board of trustees. To date I have received no report on any aspect of the operation of the trusteeship. I hope within the near future to have a meeting with Mr. Justice Dryer, and at that time I will indicate to him the interest of the House of Commons in having a report before prorogation.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. Could I ask the minister whether any order in council has been passed containing regulations for this board?

Mr. MacEachen: No, Mr. Speaker.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Labour whether it is a fact that the trustees have retained a public relations firm that is communicating with all the Canadian seamen and asking them personal questions relating to their employment, what they do during the off season, and generally requesting very full information. Upon what basis are such requests made, and for what purpose?

Mr. MacEachen: Mr. Speaker, the governor in council has approved an establishment for the trustees in which is included, as I understand it, at least one public relations officer. I have no information whatsoever with respect to any questionnaire or activity of the trusteeship except that I did read in the newspapers a statement made by one of the trustees that an effort would be made to gather information on the conditions of life of the seamen involved in the trusteeship.

Mr. Diefenbaker: Would the minister table the questionnaire; because it seems like an extraordinary procedure for the board of trustees to follow.

Mr. MacEachen: Mr. Speaker, I will be glad to bring this matter to the attention of the chairman of the board of trustees and will proceed carefully so that in no way will I interfere with the responsibilities which parliament has given directly to the trustees.

Mr. Diefenbaker: Will the minister answer whether he will table the questionnaire in the house, or is he going to take the same attitude that the Minister of Agriculture did a moment ago?

Inquiries of the Ministry

CANADIAN BROADCASTING CORPORATION

CONSIDERATION OF PETITION RESPECTING PROGRAM "NINE TO FIVE"

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to ask the Secretary of State if he is ready to answer the question I addressed to the Minister of Justice a week ago concerning the C.B.C.

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I wonder whether the hon. member would refresh my mind by asking the question again.

[*Translation*]

Mr. Pigeon: Mr. Speaker, I asked the Minister of Justice, as Acting Prime Minister, whether he would report to the house concerning the authors who signed a petition protesting against discrimination shown by C.B.C. with regard to actors in the program entitled "De 9 à 5", by dismissing one of the characters on the ground that he was a separatist?

[*Text*]

Mr. Pickersgill: Yes, I will be glad to give an answer to this question. Parliament, when it passed the Broadcasting Act in 1958, vested in the board of directors of the Canadian Broadcasting Corporation control over broadcasting. Control over broadcasting involves decisions by the corporation, which in my view it could not possibly delegate to anyone else, with regard to what shall be broadcast and what shall not be broadcast. It does not seem to me, therefore, that it would be proper for the government to seek, as a government, to interfere with those decisions which parliament has decided should be made by the board of directors.

[*Translation*]

Mr. Gilles Gregoire (Lapointe): A supplementary question, Mr. Speaker. Could the Secretary of State tell the house when he will set up a special committee to consider the C.B.C. report, which was not done this year or last year?

[*Text*]

Mr. Pickersgill: Mr. Speaker, I think I did say the other day that I intended to suggest to my colleagues that a committee on broadcasting be set up at the next session of parliament.

PENSIONS

AMENDMENTS RESPECTING OLD AGE ASSISTANCE, BLIND AND DISABLED PAYMENTS, ETC.

The house resumed, from Monday, December 9, consideration of the motion of Miss

LaMarsh for the second reading of Bill No. C-125, to amend the Old Age Assistance Act, the Disabled Persons Act and the Blind Persons Act.

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Mr. Speaker, the purpose of this bill is to increase from $65 to $75 the monthly benefits now being paid to some 162,000 Canadians under the categorical assistance programs which are shared by the dominion government with the provinces. I am sure that, especially at this time of year, this is a purpose which will commend itself to all hon. members on both sides of the house.

It will be noted that the effective date in the bill is shown as December 1, 1963. What this means is that the federal government will be ready to assume its share of the new increases on that date or any subsequent date that a province might choose to put them into operation. I might point out here that this date was selected after the fullest discussion of the matter at the recent federal-provincial conference held in Ottawa two weeks ago. Some provinces expressed the view that a later date might be more desirable, but none suggested an earlier date. It should be stressed that it will still be up to each particular province to decide when it wishes to implement the increases provided for in this bill. In this connection I might add that it will be necessary, on the basis of this bill as passed, to amend 36 separate agreements with the 10 provinces, the Yukon and the Northwest Territories.

Some hon. members will no doubt remark that in the past it has been customary to introduce separate amendments to provide increases in old age assistance and blind and disability allowances. It was the government's opinion that in view of the heavy pressure of impending legislation, we would save the house a considerable amount of time by including the three necessary amendments on this particular occasion in the one bill.

It is estimated that if all provinces choose to put the increases into effect on December 1 the added cost to the federal government for the current fiscal year will be $4.2 million.

It will be noted that the bill will also raise the permissible incomes for the recipients under these shared programs. For an unmarried person receiving old age assistance or a disability allowance the permissible income will rise by $120, from $1,140 per year to $1,260. For married persons in the same two categories the maximum permissible income will be increased by $240, from $1,980 to $2,220.

In the matter of allowances to the blind, where the federal government pays 75 per cent of the total as opposed to 50 per cent in the other two programs, the permissible incomes will also be raised by $120 for unmarried persons and $240 for married persons.

The latest figures in my department show that there are some 103,000 people receiving old age assistance, about 8,000 receiving blind allowances and 51,000 receiving disability allowances. As hon. members no doubt know, old age assistance is paid on a means test to those Canadians between 65 and 69 years of age whose income falls below a certain maximum. Blind and disability allowances are paid to blind and disabled persons from the age of 18.

I am sure the increased allowances provided for in this bill, combined with the old age security benefit which was also raised recently to $75, will give our older Canadians and afflicted Canadians who suffer from various forms of disability a greater degree of security and comfort than they have ever had before. This is a fact from which all members of this house, all members of provincial legislatures, indeed all Canadians, can derive a certain measure of satisfaction. It does not mean, however, that we can rest upon our oars. We must continue to move ahead in every way we can to make life happier and healthier for those Canadians less fortunate than ourselves.

Mr. Douglas: Before the minister takes her seat I wonder whether she would answer a question. She gave a figure of $4.2 million as the cost of the increase for the present fiscal year. Could she give the figure for a complete year? Does she have it handy?

Miss LaMarsh: I have it here somewhere. Perhaps my hon. friend will permit me to give it later.

Mr. Douglas: The minister can give it later. Would the minister repeat the figures she gave as to the number of persons in the various categories? She said there were 103,000 receiving old age assistance. What were the other two?

Miss LaMarsh: There are 8,000 receiving blind allowances and 51,000 receiving disability allowances.

Hon. J. W. Monteith (Perth): Mr. Speaker, this one bill covers three different acts. The minister has said that because of the time in the session when these amendments are being brought forward it is thought that this will save the time of the house. Personally I do not quarrel with the fact that it is being brought forward in this form as one bill; my chief concern is to see the legislation passed so that the people in these three categories will immediately begin to receive the benefits. The same result can be achieved in this way, but I feel that more particularized

discussion as it concerns the three categories might have been given had each been brought in separately. I know that in 1957 the hon. member for Essex East, the present Secretary of State for External Affairs, agreed with our program of bringing forward these resolutions immediately following the presentation and acceptance of the legislation regarding the old age security increase. I know that as the house agreed to pass the resolution preceding this bill without debate, it will demonstrate our complete unanimity on the fact that it should be proceeded with immediately, and will demonstrate our anxiety to get on with the matter. I only say that in my opinion it is a crying shame that the bill was not brought in before this.

The minister mentioned that the effective date of this bill was discussed at the conference, and that no province suggested an earlier date. I am convinced that at least the province of Manitoba earlier suggested moving on with this particular measure so that it would be brought in at an earlier date. If I am not mistaken the province of Ontario had also gone on record in this respect. Further, Mr. Speaker, I suggest that it is only brought in now as a result of the motion of the Leader of the Opposition on July 18 last to the effect that these benefits be separated from the over-all Canada pension plan.

It will be recalled that at that time the minister spoke with much firmness about the great qualities of the plan and what she envisaged. She, of course, envisaged an increase in old age security benefits effective this coming January 1. It was only on the insistence of the opposition and others that this particular approach was finally changed by the minister, or by the government, and on September 30 last when we reconvened after the recess we were consequently presented with a new bill to increase old age security by $10 a month effective October 1. I see no reason why this increase of $10 to the old age assistance recipients, the blind and the disabled, should not have been made available at that time.

In response to a question by the hon. member for Ontario on Monday last, reported on page 5321 of *Hansard*, the Prime Minister indicated that the question of the effective date was under consideration. As the federal-provincial conference had then concluded I felt we might have had an indication that this legislation would be made retroactive, if necessary, and that it would come into force on October 1 so these people would share on an equal basis. The Prime Minister also made this statement about the effective date, that—

—the provinces differed with regard to that matter. That must be ironed out before a statement can be made.

From what the minister said I took her to mean that the exact starting date was decided at the conference, whereas apparently the government has since made up its mind.

I feel that following the increase in old age security, legislation which was optional to the provinces should have been introduced immediately so that the provinces would have had the option as at that time to enter into an agreement to participate in these measures to the benefit of the various recipients in each province. I notice there is no new tax here as in the case of the old age security increase. Despite the fact that I may be considered somewhat out of order I should like to reiterate that the original election promise of this government was to the effect that these increases would be put through without any increase in taxes. However, this did not prevent the minister from presenting a bill adding 1 per cent to personal income taxes.

I should like to put on record, Mr. Speaker, one or two of our own accomplishments in regard to steps we took when we were in office. Effective November 1, 1957 we not only increased old age security payments by $9 a month but also amended the three acts in question, the Old Age Assistance Act, the Blind Persons Act and the Disabled Persons Act. It will also be remembered that a very advantageous step to many residents of Canada was taken at that time in reducing the residence requirement from 20 to 10 years. This was a real achievement. At that time, of course, the allowable earnings were also increased proportionately. The blind received the same treatment; their benefits were increased from $46 to $55 per month and the allowable earnings increased by $120 for a single person and $240 for a married person. In 1957 the Disabled Persons Act was amended to increase the benefits from $46 to $55 per month and also coverage broadened to include certain persons in institutions.

I remember at that time a great deal of discussion among various members on both sides of the house to the effect that this particular act should have its requirements broadened so that more people suffering from various forms of disability could benefit under its terms. I expect we will hear more of that today; I hope we do because some further consideration should be given to the interpretation of what "totally and permanently disabled" means, and whether those words should or should not be altered. At that time about 90,000 people benefited from the increase in the old age assistance allowance. Today the minister mentioned 103,000. At that time about 8,300 persons were in receipt of pensions with respect to blindness. The minister mentioned that

there were some 8,000 in receipt of blindness allowances today. In the disabled category there were between 36,000 and 43,000 in receipt of allowances, the variation being caused by the increased earnings which were allowable when making the calculation as to whether the recipients were entitled to the allowances.

In February, 1962 I had the pleasure and privilege of piloting through the house, effective as of February 1, 1962, a further increase in old age security benefits from $55 to $65 a month and, in addition, an equal increase in the old age assistance allowances and payments to the blind and the disabled. Here again I should like to emphasize that we made all this legislation effective at the same date.

I said at the beginning of my remarks that I thought it was a crying shame that these three categories of recipients of assistance should not all have these increases available to them on the same date, that is the date when an increase was provided for in old age security benefits. Now they have missed two months. Maybe this does not mean very much to some of us, but I know the minister is able to appreciate, having been in office now for some time, just what it means to the individuals concerned. Both in 1957 and in 1962 the government of that day did increase these three categories of benefits at the same time as old age security payments were increased.

Again, permissible earnings were increased by $180 a month in February, 1962 in respect of a single person, and $360 a month in respect to a married person.

Miss LaMarsh: Per year.

Mr. Monteith: I beg your pardon; the minister is correct. I am wondering just how the calculation is made. I am not doing this through ill intent, but I am interested; because back in 1957, when the old age security allowance was increased by $9, the allowable earnings were increased by $120 and $240 per year. Then in 1962, when the allowance was increased by $10, the allowable earnings were increased by $180 for a single person and $360 per year for married persons. Now, still with a $10 increase per month, we are back to $120 and $240. I am assuming the increase in February, 1962 was probably to round the figure out to an even figure. Perhaps the minister will correct me if I am wrong in this assumption.

I could not agree more with the minister's statement that these increases will contribute to a greater degree of stability and comfort; I believe that was the phrase she used. I heartily agree with this approach to the measures before us. However, as I say, the amendment should have been presented earlier. It should have been presented so as to take effect as of October 1 instead of December 1.

I notice that the minister recently made a speech in Saskatoon. According to the *Star-Phoenix* she wishes to broaden the scope of the Canada pension plan considerably beyond what was apparently her intention as indicated in the resolution which appeared on the order paper earlier this session. I am wondering whether she discussed any of these changes with the representatives of the provinces at the recent conference or, if not, whether she proposes to do so. I should be interested to know when it is expected that this wider plan will be proposed to the house.

Naturally we in this party intend to vote for the measure which is before us now. We pleaded for it earlier in this session, and I can only regret that its provisions are not made retroactive to October 1. I regret most strongly the lack of any retroactive feature, and I cannot help but condemn the government for the omission.

I have nothing further to say at this time. I do feel that these three measures will be of the utmost benefit to all those concerned, and that they should have been brought into being as of October 1.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as the house is aware the bill before us raises to a possible $75 a month the pension or allowance available under the Old Age Assistance Act, the Blind Persons Act and the Disabled Persons Act. We in this party have asked for these increases to be made. We now welcome the legislation. We shall support it. As a matter of fact, Mr. Speaker, it is our hope and our desire, despite the wide interest there is in this subject in the House of Commons, that because of the unanimity of support for this measure it will not take very long to get through, so we can be certain that those affected by these various pieces of legislation will get these increases promptly. We hope, therefore, that any time which is taken up in speaking briefly on this subject will not be interpreted as anything other than support for this measure even though there are two or three things which need to be said at this time.

First I wish to echo the remarks made by the hon. member for Perth with reference to the effective date of the proposed increases in these three shared programs. The Minister of National Health and Welfare relied on the fact that no province had asked for an earlier date at the recent federal-provincial conference. She also told us some

of the provinces wanted an even later effective date to be set. But she must know that prior to the calling of that conference some of the provinces were already asking for these increases to be made possible at an earlier date, and I suggest a responsibility lay upon her and upon the federal government months ago to discuss with the provinces the possibility of these increases so that the earliest possible effective date might have been arranged.

I know the minister will tell us that she and the government had a different perspective, a somewhat different scheme affecting these matters in relation to the Canada pension plan. I remember what she said in her speech on July 18 about these various plans. But I suggest that she and the government should have realized, shortly after they took office, that the question of raising the basic old age security pension to $75 a month was a pressing one, that it was a commitment that would have to be kept, and once that was done these other increases would have to be made.

The government, in our view, should have consulted the provinces at an earlier date, so we would not be in this position now of having had the old age security at $75 per month effective in October, whereas the $75 under these three programs is effective only in December. We deplore this delay just as much as the previous speaker did. We feel that the government cannot excuse itself for its delay in this matter by the kind of statement the minister made with regard to what was said at the recent federal-provincial conference.

We have no quarrel with the fact that these three measures are presented to us in one package. As a matter of fact, although in the past each time any one of these programs has been improved it has been done by a separate bill amending the original act, there is something to be said for looking at these programs at one and the same time. I hope that the day will soon come when we will look at our social security needs, our social security programs in this country on an over-all basis. This is something I want to elaborate upon for just a moment or two at this point.

I think one of the misfortunes that arises from the way in which these increases have been dealt with in this latter part of 1963 is the fact that we have come at these things on a piecemeal basis, and therefore have denied to the provinces, denied to the country as a whole, a chance to consider all of our social security and social welfare needs. We increased the old age security pension, as we simply had to do. Having done that, we now have to increase these related pensions and allowances. Our action in increasing the permissible rates at the federal level makes it necessary for the provinces to contribute their shares. This affects the provinces in terms of their approach to other social and welfare measures.

The minister, in her speech on July 18 when she introduced the Canada pension plan, referred to some of these problems. She referred to the problem of widows with dependant children, the problem of disabled persons who are not now covered, and so on. There is also the question of survivor benefits. There is the whole question of sickness benefits and whether they should be attached to unemployment insurance or to health insurance. There are all these other needs to meet which will be delayed just a bit longer because we have come at this present problem on a piecemeal basis.

In the view of this party, the day cannot come too soon for a federal-provincial conference, such as is necessary, and for bringing in the social workers and those who are experts in this field, to try to devise an over-all program that meets all of our needs. We support wholeheartedly—indeed we have been asking for it—this increase to $75 a month in these three programs, along with old age security. But we think it is a sad state of affairs that there are still no survivor benefits in this country; that there are no provisions for pensions for orphans or for widows with dependant children, and the various other categories to which the minister has referred, and to which I have referred in my remarks today.

There are many people who are facing up to these problems. Experts in the various departments of health and welfare at the federal and provincial level, as we all know, have done a great deal of work and a great deal of study on this matter. Our schools of social work in various universities are working on this matter. The Canadian welfare council and other Canadian social and welfare agencies are all aware of the growing-like-Topsy nature of our social security system. I do not want to suggest by the use of that phrase that it has not some elements in it that are very sound. I think we have made pretty good progress in some parts of the field. I think the establishment of the principle of universality for old age security and at the family allowance level is something good, something of which Canada can be proud. Then, the fact that we have developed these other shared programs is to the credit of this country.

I think, perhaps, that it is good we have not yet laid down lines that are hard and fast. We have not adopted any rigid position which would make it impossible for us to move into new ways of dealing with these things.

What I think has been sad this year is that we have had to hammer away at the government, first to introduce the $10 increase for old age security and now to get these three $10 increases in these shared programs. We have had to hammer at the government to carry out its own commitment for the Canada pension plan, and the best we can get from the government is that it will be delayed and brought in next year rather than this. This government is the one which said, at election time, it was ready to move, it had its plan and was ready to give the people a new look in the social security field.

I do not blame the minister for saying today that this legislation would bring added security and comfort to those who will receive the increases being provided. However, it really is not very much. It really is not anything for us to boast about in the affluence of our society today that people who have played their part in the economic and social life of our country at age 65 can now get $75 a month if they are single and $150 a month for a married couple, with the right to have other income of $30 a month if they are single and $35 per month for married couples. Well, it is $10 better than it was before this legislation was introduced but it is hardly security and comfort in the accepted meaning of those words.

But, Mr. Speaker, we can move a long way in this field. We have the economic capacity to do it in a country such as Canada. I believe we have the intellectual capacity. I think we have the knowledge in the field of social welfare measures to sort these things out and to get an over-all plan to deal with all the needs of our people. I know the Minister of National Health and Welfare (Miss LaMarsh) has had some tough battles. She has had to fight the insurance companies.

Miss LaMarsh: Who, me?

Mr. Knowles: I missed that.

Miss LaMarsh: Who, me?

Mr. Knowles: Apparently the Prime Minister (Mr. Pearson) has now said the same thing about the insurance companies as the Minister of National Health and Welfare said. I am surprised that so many people have risen in this house, as if the insurance companies need to be defended. I think they manage to look after themselves very well.

As I started to say, I know the minister has had a fight with the insurance companies. I gather from reading a magazine such as *Maclean's*, which knows what goes on within the Liberal party, that she has had a fight with some of her own cabinet colleagues in this field. I know there is a job of education to do in this country. I submit she not only has a tremendous job but she has a tremendous opportunity. If, with the help of the expert people she has in her department, and with the support of a parliament that now believes in social security, she will give a lead in the effort to achieve, not just piecemeal amending of these bits of legislation when pressure comes from the opposition, but to achieve an over-all Canada pension plan, plus a social security plan to meet all the needs of our people, including old age assistance, income in time of illness, provision for widows and survivors, orphans and the disabled, she will do well for the people of Canada. Such an effort could be made with the financial capacity and intellectual capacity that we have in this field.

One of the things that has grown concurrently with our branching out in social security legislation, such as has taken place in the last couple of generations, has been the growth of organizations like the Canada welfare council and the increase in the number of people who are studying social work in our various universities. There is now quite a band of such people. I will not name any of them because it would be unfair to name only some and not others, but there is quite a band of experts in this field.

I am sure the minister has made many more contacts with these people than she ever did previously. I am also sure that if these experts were drawn in and put to work, then before we reach the point when there is another round of increases for items a, b, c and d, we could have an over-all approach to the problem of social security.

I would like to repeat what I said earlier. This is legislation we heartily welcome. We hope, despite the interest hon. members will want to show in it, the house will pass it quickly and the benefit will get through to the people it is intended to cover.

One of the things which disturbed us quite a bit after the $10 increase was given in old age security was to learn that in certain provinces some people got the $10 in one hand and had it taken away, either in whole or in part, from the other hand. We hope that will not happen with this legislation. We asked for this legislation; we welcome it; we support it. But we hope that before the ink can dry on the bill when it is printed as finally passed, the minister will enter upon the hard work of drafting an over-all social security program, jointly between the federal government and the provinces, so that we can meet in an honest, intelligent way the social needs of our people.

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): I only wish to say a few words in support of

the bill introduced by the Minister of National Health and Welfare (Miss LaMarsh).

Of course, we are all in favour of these increases, but nevertheless I would like to make a few brief comments on the present situation in that regard.

The bill provides for a $10 increase per month. As we said so many times, under this administration as well as under the previous one which had not considered advisable to give retroactivity to the measure, this increase of $10 has been set by rule of thumb because it certainly is not based on any special study of the cost of living at this time. This increase is a good thing, but, once again, we would like that all those increases pertaining to social security, provided at any time and by whatever government, be based on the cost of living.

If we look at the increases which are being granted at this time, particularly in connection with the maximum income permitted the recipients of those social security allowances, we see that a disabled person cannot earn more than $360 a year under the terms of subparagraph (i), subsection 2 of section 1, while a married person living with his spouse cannot earn more than $1,320, for if we add the $900, it amounts to the total of $2,220.

Under subparagraph (iii), subsection 2 of section 2, the permissible income is $2,580. That means that a couple cannot earn more than $1,680. If we consider the cost of living today, we realize that such amounts are clearly inadequate. However, we are pleased that the pensions have at least reached the level provided for in this legislation.

In the case of the Blind Persons Act, the situation is the same except that the amounts are higher.

I should like to bring up here the fact that the Canadian National Institute for the Blind has requested that there be no restriction set concerning the blind's income because their incapacity has physical, psychological and mental effects. The institute rightly feels that there should be no maximum limit on the income of those who are entitled to benefits under the Blind Persons Act.

Referring once again to the subparagraphs, it will be noted that the permissible incomes are $600, $1,080, $1,680 and $1,800 in the case of the blind. I respectfully submit, Mr. Speaker, that those increases are very little and that they will not do much for the recipients but, in spite of the restrictions contained in the bill, we are glad that the government has decided to boost those pensions.

It is better than nothing. And I would suggest that the hon. lady might consider, perhaps at the very next session, a substantial increase in those pensions, based on the actual cost of living and not on political expediency as it has been done in the past by most political parties.

When we consider the Disabled Persons Act, I am always reminded of the time when I used to examine people who applied for such benefits. I was made aware then that the act is indeed restrictive and many people cannot take advantage of it. I am thinking of epileptics, for instance. Those people, afflicted with a recurring disease, might go through long periods of regression, but they can also have attacks at very short intervals. In spite of this, those persons are not yet covered by the act.

I submit that they should be, along with some people who were unfortunate enough to lose both hands in an accident. They are not eligible under the pretext that with the limbs they have left or with the help of artificial limbs, they can still earn a decent living.

I suggest that this is impossible when such a person is a skilled worker. I feel that those people should be eligible under the present act.

I should like to make a few brief remarks about increased family allowances.

As you know, when family allowances were established, the basic rate was $5 per child and the number of children entitled to those allowances was limited to seven. Now, several years after the establishment of these allowances, the basic rate is $6 instead of $5 and the maximum amount is $8 instead of $7, that is only a one dollar increase in both cases. However, there is no limit as to the number of children entitled to these allowances.

Once again, I ask the minister to consider the possibility of increasing family allowances and of extending them to children over 16 years of age, especially to students.

Mr. Speaker, I do not intend to delay the passage of this legislation and once again, I am pleased to say that our group is in favour of the proposed increase. We are glad about it, especially for those who will benefit from it. But we submit that this increase is not at all in keeping with the increase of expenses for the recipients. Therefore, I hope that in the very near future, the minister will see fit to work out those increases more in terms of the cost of living.

As far as retroactivity is concerned, I do not think political capital should be made out of it. The hon. member for Winnipeg North Centre (Mr. Knowles) indicated that he had been advocating that for a long time. We have also discussed that matter for a long time, but I think it is much more difficult to carry out such projects than to discuss them. We also would like to have a retroactive legislation, but we are not going to delay the passing of the bill because there is no such indication.

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to make a few comments on Bill C-125, the purpose of which is to increase the benefits now being paid under the Old Age Assistance Act, the Disabled Persons Act and the Blind Persons Act.

Like those who spoke before me, I support with more or less limited enthusiasm this increase of $10 for the persons aged 65 to 70, for the disabled and the blind. But it is to be noted that this increase is far below the increase in the cost of living.

Last summer, sometime before the recess, nearly all hon. members were in favour of increasing their own indemnity. Everyone was saying that the cost of living had gone up, and that therefore, expenses had increased that much.

Well, I think that if our expenses and our cost of living have increased, they have also gone up for the old people, the disabled and the blind who have no other source of income nor any other means than the benefits paid to them under our present laws.

If you draw a parallel between the increase in our indemnity and the increase in old age assistance, and disabled and blind allowances, those benefits should have been raised to about $120 a month, but they are now increased to $75 only.

No one is disputing the fact that the cost of living has gone up, that the cost of everything is going up. The needs of our old, disabled and needy people are the same as ours, that is to say their cost of living is the same as ours. But when it comes to suggesting an increase based on the cost of living, it seems that often we think more about ourselves than about other people.

A single person in receipt of old age assistance or blind persons allowances will be able as from now to have a $1,260 yearly income, while the recipient of an allowance for the blind will be entitled to an annual income of $1,500.

For the person who is married and living with his spouse, the permissible income will be $2,220 in the case of old age assistance and disability allowances, and $2,580 in the case of allowances for the blind.

Considering the number of civil servants necessary to interview the disabled, the blind and the old age assistance recipients, I feel it would cost no more to grant $75 a month, without assessing the income earned by the spouse.

I am thinking of several cases I know, where the wife has to work in order to support herself. Because her salary is a few dollars above the permissible amount under the act, her government pension has been cut down. As a matter of fact, I was able to establish that, in the province of Quebec, the additional amount provided by the federal government, that is $10, has been deducted from the pension of the recipients of social assistance benefits.

I wish to point out to the minister that today, in order to derive any benefits from the Disabled Persons Act, one has to be a bed-ridden invalid as several members have already stated.

I am thinking more particularly of people who have a heart condition. When we request pensions on behalf of those people, the commissioners tell us that the persons are not completely or permanently disabled, despite the fact that their illness often puts them in what I would call a state of helplessness.

The administration of the Old Age Assistance Act, the Disabled Persons Act and the Blind Persons Act is so restrictive that several inquiries are often needed before justice is obtained from the commission, and in a few cases only at that.

That is why I feel it would be easier to pay $75 a month without a means test as far as the spouse is concerned. The number of employees needed for the administration of the act must be taken into account; it requires bureaucracy and a number of bureaucrats. And even if it makes it possible for the provincial or the federal government to save a few dollars, it prevents some recipients from really trying to earn more money.

In that respect, I am reminded of a woman who, at some time tells herself: What I earn in such and such a month is taken from me by the federal or the provincial government because of the maximum set on permissible income.

Mr. Speaker, we welcome this measure to increase by $10 a month the pensioners' permissible income but, on the other hand, I must say that this increase is not in line with the cost of living at this time or the numerous needs of the disabled, the blind and the old.

If you consider the cost of living today and the way old people must live, you will find that they do not live in the same conditions that prevailed 25 or 30 years ago when children looked after old people. Times have changed and today, because of the housing shortage, old people must live alone and look after themselves.

That is why I feel that the increases as mentioned in the bill are not large enough, for one must remember that we have increased our sessional allowance by some 80 per cent, whereas the blind, the disabled and the older people benefits are increased by $10 a month only.

If the increase in the cost of living or in these people's requirements had been taken into account, I think that the measure now

before us, that is Bill No. C-125, would provide for an increase to at least $120 a month in the allowances paid under the Old Age Assistance Act, the Blind Persons Act and the Disabled Persons Act.

[*Text*]

Mr. A. D. Hales (Wellington South): Mr. Speaker, I appreciate the opportunity of saying a few words on the amendment now before the house to increase by $10 per month the payments made under the Old Age Assistance Act, the Disabled Persons Act and the Blind Persons Act. I would say this is one of the most confused and poorly handled pieces of legislation that has ever come before this house. Our senior citizens were given a $10 increase as of October 1 last, and only then after considerable pressure was brought to bear by the opposition. The other three classes of people receiving assistance were left wondering why they did not receive this increase, as they had on other occasions when similar legislation was put through. I had 'phone call after 'phone call; I had letters from people in these three categories. They were asking me, "How come I am not getting the $10 a month increase, the same as the senior citizens" What could we tell them? What did we tell them? All we could tell them was that this government failed to consult the provinces and the matter had to be postponed until after the dominion-provincial conference meeting, that at that time it would be discussed and possibly the increase would be put into effect.

The people in these categories have been discriminated against. Why should they be discriminated against? They are just as entitled to this $10 increase as are our senior citizens. They are people who may need this additional money even more than those in the senior citizens group, but for at least two months they have been denied this increase. This means they have been denied $20, which is a large sum of money to them. Speaking for myself, I certainly would have preferred to see the senior citizens, old age assistance recipients and the blind and disabled get their increase in their pensions before there was any increase in the indemnity of members of parliament.

An hon. Member: Did you vote against it?

Mr. Hales: In addition, our increase was made retroactive while the increase for our senior citizens was not made retroactive.

Mr. Moreau: Would the hon. member permit a question?

Mr. Hales: Yes.

Mr. Moreau: Would the hon. member inform the house how he voted when the members' pay increase was before us?

Mr. Hales: I voted for it just as the hon. member did, but I still say I would have preferred to see the senior citizens receive their increase before we were given ours.

The increase for these three groups is going to cost $4.2 million for four months or approximately $12.6 million a year. The hon. lady has not seen fit to tell us from where the money is going to come from or how it is going to be raised. I presume it will come from the consolidated revenue fund. However, she did make a point of telling us in the case of the old age security increase that the money was going to be raised by increasing the income tax by 1 per cent. So there is confusion in the method of payment between these two categories. The matter has been poorly handled all along. It has been done in a confused and piecemeal way. We are now asked to pass this amendment today and I may say we are going to support it.

Before I sit down I should like to say a word or two in respect of blind assistance. I think these people deserve special recognition. In my opinion a blind person has a much higher cost of living and finds it more difficult to exist than other people. This observation can be substantiated on three or four grounds. Many times blind people have to hire help to take care of them in their homes. They cannot see to get around and they need guidance. Quite often they have to live in a different type of home than other people. They cannot live in homes with three or four floors but must live in single ground floor homes so that they can get around. There are special circumstances in the case of blind people and as a result it costs them more to live. In some cases it is a necessity for them to have a car. If they have one they need someone at all times to drive them to their place of work and pick them up. This too is an additional expense. When blind people go shopping they are handicapped. They cannot see the product they are buying or the specials that are on sale, so they are not always able to take advantage of these savings. For these reasons and others I think they should be given special consideration and I hope the day will come when this will be a reality. There are only about 8,000 blind pensioners in Canada, as I believe the minister indicated, and an additional $10 a month for them would not amount to a very large sum.

Finally, I say that this government stands condemned because of its failure to legislate in a clear and fair way for the less fortunate people of our country. They have acted in a discriminatory manner. One group received

an increase, and the other groups did not get their increase at the same time. This is the way the matter has been handled. We support these amendments and hope that when anything is done with regard to welfare payments in the future the increases will be given to all at the same time. I hope this will be the attitude that will be taken by this or any other government that may be dealing with welfare problems.

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, first of all I should like to congratulate the Minister of National Health and Welfare (Miss LaMarsh) on having an eleventh hour conversion. Some say that deathbed repentances are all right. I congratulate her for bringing in the increase, but how in the name of goodness could she justify leaving these people to the last? Here is a group of people who really need the increase. Their entitlement to it depends upon a means test, and I just cannot see the reasoning behind leaving such people to the last.

I should have liked to see the minister not only make the increase two months retroactive, but go back to April 8 last when the raises for members of the House of Commons came into effect. I think that could only be fair, because surely these people have a proven need. There is not a large amount of money involved in the increase. The matter would seem to be primarily a question of right and wrong, and it does not take a lot of money to make it right because we are told that there are only 103,000 people in Canada who will qualify under the Old Age Assistance Act. This is only one out of every 184 people. In the case of the blind there is only one out of every 2,375 people involved. Therefore I want to ask the minister to reconsider her position and make the increase retroactive at least two months, to the time when the old age security payments were increased. If in the goodness of her heart she could make the increase retroactive to the 8th of April that would be a lot better, because there are only a few people involved and they are people who have a proven need.

So far as the disabled are concerned, here is another group of people who are badly in need. There are only 51,000 of them throughout Canada, or one of every 350 people. We are giving these people $75 a month. At the same time we allow a single person to earn an extra $10 a month.

I know that the minister probably cannot do anything at the moment concerning the point I am about to raise but as I look across the way and see the parliamentary secretary to the minister, who lives in Toronto, I say to the minister: How in the world does she expect a person to rent a room and live in Toronto on the amount of money that is provided only under a means test? I am well aware of course that hospitalization and medical care are provided to these people but I am wondering about the cost of drugs so far as they are concerned. Again I remind the minister that these are people whose need is proven. In the case of the disabled we are going to allow a permissible income of $2,220 a year for a married couple, but in my view this is a mere pittance. A great many of these people, as my doctor friend from Toronto will know, need special care. They need help in their homes. They need someone to go and get things for them. I am sure he will also agree with me that it is an utter impossibility for a married couple to live on that sum of money in the city of Toronto, or other large centres in Ontario.

Let me again draw attention to the discrimination which we practise in this country. It is all very well to speak of universal pensions and national pensions schemes, but surely there is a great difference across Canada in the cost of living in one area compared with another. In my own province of Ontario there is a great difference between a person who has to live in the city of Toronto—I use Toronto because it is a big city, but my observations could easily apply to Ottawa or other cities and towns—and the fortunate person who has to live in some small village, or even on a farm in his own little house. I should like to point out to the minister that over the years we have gone on practising discrimination between the people needing old age assistance or benefits under the Disabled Persons Act or Blind Persons Act who live in the big cities and big towns and those who live in rural areas.

I should like to see some concessions given to disabled persons who suffer additional hardship. I am thinking, for example, of a family I know where the mother finds it necessary to go out to work in order to add to the income. There are a couple of small children in the family and the father has disseminated sclerosis. This lady has to hire a taxi or keep a car to enable her to go to work. Actually in this particular case she hires a taxi. Surely the quality of mercy is not strained by giving these people their just dues, instead of discriminating against them. I should also like to say a few words about disabled persons who need special equipment, such as wheel chairs or special beds. I am thinking of those with disseminated sclerosis, and crippling diseases for example. I hope that some day we will be

able to bring in legislation which will take into account the special needs of some people over others.

Mr. Speaker, I know there are other hon. members who want to speak on this bill, but I would just ask that we keep in our minds the problems of the blind person. The hon. member for Wellington South (Mr. Hales) brought this out very pointedly. These people need others to assist them to shop. They cannot read the bargains. There are one hundred and one ways in which they are handicapped that those who are not handicapped fail to realize. In conclusion may I say we support this measure, with the added rider that we hope the minister will see fit to go back in date at least to the time when the other old age security pension was increased.

[*Translation*]

Hon. Paul Martineau (Pontiac-Temiscamingue): I shall be brief, Mr. Speaker. Like hon. members who spoke before me, I should like to express our group's approval of this legislation which has been made necessary by the increase in old age security pensions and by the increasingly urgent needs of the recipients.

As the hon. member for Perth (Mr. Monteith) and others have stated, it would have been better if the increase had been made retroactive to the date on which old age security payments were boosted.

But, unfortunately, the government did not resort to the necessary consultations with the provinces so as to achieve consistency between the two pension plans.

Mr. Speaker, speaking on this measure, I should like to point out that there is room for improvement with regard to the administration side of it.

I know that the administration of these pensions comes strictly under the provinces which, as a rule, establish a special commission to investigate before making the payments.

However, the federal government determines itself the conditions under which these pensions must be paid.

In many instances, in refusing a pension, the social allowances commission in the province of Quebec, for instance, will inform the person who did not succeed in obtaining a pension, that his or her application is rejected on account of the federal legislation and its requirements.

I submit that this gives rise to many cases of injustice.

In other cases, pensioners had been receiving in good faith for one, or even several years, old age assistance benefits when, as a result of an investigation, it was found out that the recipient's income was over the permissible maximum. Then the needy person to whom a pension was being paid was compelled to make a refund. In such a case, there is a real injustice, because those persons were receiving that pension in good faith; and it is obvious that they do not have the necessary means to make the refund.

I suggest that when a person has received a pension in good faith, after his good faith has been established through an investigation, he should not be required later on to make a refund.

To judge of the interpretation of the law in cases of this nature, and in order to avoid this rigidity pertaining to all statutes, I suggest that it would be advisable to consider the setting up of a kind of administrative court, which would review the decisions of the commission and before which a claimant might be heard. Thus it would be possible to eliminate, at a moderate cost for the treasury, absolutely pitiful cases of persons who, in our twentieth century and in our society with its population continually increasing, live in almost undescribable poverty.

Mr. Speaker, care should be taken that this increase, which is not very substantial after all, is not followed by a new rise in the cost of living. It is the special duty of the federal government to see to it that rents in housing projects subsidized by it or by some of its agencies are not increased as soon as the increased pensions are received. There are already indications that this might be the case.

I have no doubt that the minister will make sure that this situation does not occur; she might also warn her colleagues, the Minister of National Revenue (Mr. Garland) for instance, of the danger of such an occurrence.

In short, Mr. Speaker, when considering this legislation, it is appropriate that we wonder if the time is not ripe to undertake a review of our social security system.

Our system, as it is now, already drains an important part of our national budget, and yet it remains inadequate and cannot meet the requirements of those who try to become eligible to these benefits. Furthermore, it is obviously inadequate in comparison with the comprehensive systems which exist in most European countries.

Mr. Speaker, I believe that we need to take a second look at the philosophy underlying our social security system. It is not as much a matter of distributing a minimum to all as it is rather one of bringing supplementary assistance to those who need it. I am not against the universality of the portable pension plan, but instead of paying a small amount to everybody, most of whom

are not in need, it should be attempted, through other legislation, to give to those who are really in need a sufficient amount so as to enable them to meet their actual requirements, in order to remove within our society those distressing cases of hopeless destitution which are so numerous in Canada.

By amending this legislation, we could provide for their needs without burdening our budget with excessive expenditures, because assistance would be given where it is needed, and thus we could release our resources for productive purposes and give those responsible for that production adequate remuneration and compensation for their services.

I unreservedly support the hon. member for Winnipeg North Centre (Mr. Knowles) who is not only asking for a review of pension rates, but of the entire system, in order to make the necessary amendments.

[*Text*]

Mr. Frank Howard (Skeena): When my hon. friend from Winnipeg North Centre (Mr. Knowles) spoke earlier in this debate he outlined the attitude of this party in general terms with respect to the subject matter before us. I think that over the years we have, unfortunately, put the entire question of providing assistance and help to the needy out of the public treasury on the basis of either a handout or some reason of expediency. It is unfortunate, and it is one of the reasons why we have a disgraceful situation in Canada today with respect to the whole field of social security, of which old age assistance, disabled persons pensions and blind persons pensions are a part.

It is almost a year ago, now—I believe it was on December 20, 1962—that the national council of welfare came into being, pursuant to an act of this parliament passed while the hon. member for Perth (Mr. Monteith) held the office now held by the hon. lady. One of the ideas we had about this council was that it would be dealing with, and studying items such as we have before us for consideration, now. I should like, in this regard—that is, with regard to the question of planning some program of concerted effort in this field of social security assistance—to make reference to the annual report of the Department of National Health and Welfare for the year ended March 31, 1962. While I am at it, perhaps I may point out that this report, the one which was tabled by the hon. lady on the opening day of this session, is the last one available. At least, I sent a note to the library and this is the last report they have. It is more than a year and a half old. Nevertheless, it does contain some pertinent information about the general subject matter before us and I should like to make a few references to it and make one or two short quotations from it. The following appears at page 150 under the heading "Income Security". As I say, this report is already a year and a half old and, undoubtedly, the study which went into this took place some while before the date of publication. It reads as follows:

> The program of old age, survivors and disability benefits announced in the speech from the throne, January 1962, required the active participation of staff members for a number of months beforehand in discussions to plan the new program.

It is true this relates to the previous government and to a previous speech from the throne. But it does say that the staff of the department actively participated in studying this whole field for a number of months in order to plan a new program. Then it goes on to indicate that the income security section supervisor spent two weeks in Great Britain, that the director spent several days in Baltimore and Washington reviewing the old age survivors and disability insurance program in the United States, that studies were made on the situation in Australia, New Zealand, and so on. We are told that the work of the Ontario committee on portable pensions was examined and that the staff produced a number of bulletins and made an exhaustive study and survey of the particular question which is now before us.

It seems regrettable that at this late stage in the session, with all this active work behind her, the minister has not yet assessed it and is still unable to transform it into some kind of co-ordinated plan and program which the house and the country could consider.

I wonder if I may call it five o'clock?

Mr. Pickersgill: If the hon. member is the last speaker, I wonder if he could be allowed to finish in a few minutes and we could then get the bill through.

An hon. Member: Take the whole hour.

Mr. Howard: I did not know the prescience of the Secretary of State (Mr. Pickersgill) extended to knowing how long I might take. But I am one of those who have been most vociferous against intruding on the private members' hour and, inasmuch as I have the floor at five o'clock, I do not think it is I who should be asked if I want to go on. I believe the others should be asked.

Mr. Pickersgill: I wonder whether Your Honour would ask the house if there is unanimous agreement to continuing after five o'clock in the hope of making progress.

Some hon. Members: Agreed.

Mr. Howard: I must thank my parliamentary secretary, the Secretary of State, for helping me out in this particular instance.

To proceed, let me express appreciation to the house for this courtesy shown, not only to me but, what is more important, to the recipients of allowances and pensions, because they are the people we are concerned with when considering this particular item.

When the minister spoke, her introductory remarks contained a reference to the dominion-provincial conference, and to the effect that not one province was in favour of extending these particular payments retroactively beyond December 1. This, in my opinion, is a shame and a disgrace to the various provinces if they, in fact, took that adamant attitude. The minister has said that some provinces indicated they were desirous of having this measure made effective at an even later date. This, in my opinion, is even more disgraceful. If and when the minister closes the debate, or at some other stage in the proceedings, I believe she should relate to the house and to the general public just which provinces wanted this measure to become effective at an even later time than is proposed. This would enable the people to know which provinces took this attitude.

The minister said, too, that this was the reason the date of December 1, 1963 was picked as the retroactive date for this bill to come into effect. It seems to me that if the various provinces were so mean and niggardly in their attitude toward this measure that they adamantly refused at the dominion-provincial conference to have it come into effect at any date prior to December 1, then the minister should have taken up the challenge, as she is wont to do, and made the measure effective on the same date as the old age security pension. This would have put the provinces on the spot. She could have said to them, "We are being magnanimous and we are going to pay these people what they should have. Will you not go along with us?"

What I expect happened is that this is the attitude of this government, that this government does not want the measure to come into effect before December 1. It wants to save a few pennies for the months of October and November, instead of being reasonable, just and fair to the recipients of these particular payments. I believe the minister said that the cost involved would be somewhere in the neighbourhood of $1 million a month for the three types of pension that are before us at the moment. I do not know if she actually used the phrase "a million dollars", but this is what I have computed it would cost. The October and November payments would, therefore, only involve an additional $2 million and would be payments to those people who really need them more than anybody else. I know the Liberal party is embarrassed because of the attitude taken by the late C. D. Howe, but do they have to be that embarrassed by the statement, "What's a million?" Why do they not say, "What's a million or two million? Let us pay these people for the months they justly deserve and not take a penny-pinching attitude towards people who are really in need".

If the government wants a couple of million dollars, I would remind them that the Minister of National Defence (Mr. Hellyer) was tossing millions around the other day. Apparently he was able to save $75 million in a few minutes of slashing of his estimates. A little more time spent in slashing the estimates of the useless Department of National Defence would give us another $75 million for the people who really need it. After all, we paid millions and millions of dollars for these useless, senseless Bomarcs which we are going to return to somebody in a month or two. Why can we not take the money from this project and use it for people who really need it, the elderly, the blind and the disabled. This, in essence, is what I wanted to say in respect of the general principle, Mr. Speaker; but I should like, if I may, to make a reference or two to some correspondence which I have concerning particular cases. I raised this matter in the house at one stage by way of a question to the minister, but I did not get an answer, so perhaps I should make a reference to it now.

I refer to one instance only, but there are many, in which the provincial department of social welfare of the province of British Columbia curtailed the amount of old age assistance payable to an individual because, and I quote the reason from the form sent to the individual, "old age security to spouse increased from $65 to $75 per month." In effect, what happened—and this happened to many recipients of old age assistance—is that this parliament increased old age pension payments by $10 a month, but the department of social welfare in British Columbia eliminated the increase by reducing the old age assistance payments. We raised this question with the minister. I sent her copies of the particular form, and I sent a letter and also copies of the form to Mr. Wesley Black, minister of social welfare in British Columbia. I asked them to do something about this particular item. I should like to quote the replies which I received, each one of them dated the same day, November 19. The reply I received from Mr. Black in Victoria regarding this matter was as follows, and it refers to an individual case:

As Mrs. Parnell has been granted an increase of $10 per month in old age security pension, it has been necessary to reduce Mr. Parnell's old age assistance allowance by $10 per month in order to keep within the income limits of $1,980 per annum which is the total amount of allowable income set by federal government legislation. To date the federal government has not announced an increase in old age assistance allowances.

On the surface, I considered this to be a factual statement, except that it is passing the buck. The answer I received from the hon. lady is as follows. It bears the same date and it is addressed to me, dear—it reads—

An hon. Member: Dear what?

Mr. Howard: I do not want to mislead either the members of the house or the public, but when the hon. lady and I both sat on this side of the house in opposition, we got to know each other on more than a formal Mr. and Miss basis. Since hon. members are interested in this matter, may I say the letter is addressed in typewriting, "Dear Mr. Howard", and written over the top of that is "Frank". You can see for yourself, therefore, it is almost addressed, "To whom it may concern". The letter reads in part as follows:

Thank you for your letter of November 15, which was similar to a number we have been receiving regarding reductions on certain forms of provincial assistance to senior citizens consequent upon the recent $10 increase in the old age security payments.

You note that the minister says she has received a number of similar complaints. This is not an isolated case.

As you probably gathered from recent statements I have made in the house on this subject, the government is deeply concerned. At the same time, there are limits as to how far we can go in attempting to persuade the provinces—

Note that, Mr. Speaker.

—in attempting to persuade the provinces to let the pensioners themselves have the extra $10 they have been voted. It is a provincial matter and there is little we can do beyond expressing our concern and disappointment.

I, too, express my concern and disappointment, not only at the circumstances in which these people find themselves but at the answer I got from the minister. The minister's letter continues in a friendly tone and one which leads a person to believe that all is not dark and there are some bright spots on the horizon. I quote:

Please be assured, however, that I will personally continue to do everything I can to see that our older people are treated both generously and fairly by all,

Yours sincerely,

I am sure you do not want me to read the name underneath that.

An hon. Member: Read it.

[Mr. Howard.]

Mr. Howard: I have been asked, so I will say it is signed in typewritten form "Judy LaMarsh" and penned over that just plain "Judy".

An hon. Member: Just very attractive Judy.

Mr. Howard: I did not mean that; I meant just ordinary Judy. Notwithstanding this light hearted banter, the fact is that the minister saw fit to pass the buck to the province and say, "I am sorry, I cannot do anything about it." Then the province passed the buck back to the federal government and said, "It is too bad the federal government does not do something about it," and all these people who are recipients of the old age security program, at least in the province of British Columbia, if not in all the provinces, find they have $10 less a month.

These people do not particularly care whose responsibility it is, and do not particularly care which minister thinks it is the responsibility of some other minister. What they are concerned about is that one government has decided to pinch $10 out of their pockets, all because this government did not have the foresight and real concern for these people, to come a long time ago and ask parliament to endorse legislation such as that we have now before us.

While the minister may address her letters "Frank" and sign them "Judy" this does not help Mr. Parnell and Mrs. Parnell. The end result is that in effect they have had $10 a month stolen from them in October and November.

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

The Chairman: Order. It being five o'clock it is my duty to leave the chair in order that the house may proceed to private members' business pursuant to section 3 of standing order 15.

Mr. Howard: I thought the house had been agreeable to proceed and finish the bill.

Mr. Monteith: It is agreed to by this party, at any rate.

The Chairman: Is that agreed?

Some hon. Members: Agreed.

On clause 1—*Agreements with provinces.*

Mr. Howard: I thought the minister was on the point of rising to close the debate on second reading. Perhaps she would relate to the committee the names of the provinces who wanted these increases to come into effect later than December 1.

Miss LaMarsh: Mr. Chairman, I thank the hon. member for trying to spare our correspondence, and I would like to inform him that hereafter I will be careful, in order that he is not further embarrassed, to address him as "Dear Sir."

Mr. Howard: She has broken my heart.

Miss LaMarsh: The information he asked for is something which I think I cannot give. For one thing, I do not remember it offhand, and I do not have it with me. Second, I do not see that it would assist members of the committee in any way to know which provinces did this.

It may be recalled that in answer to a number of questions I stated that this matter would be placed before the provinces. That preliminary discussion was held in September last, and then deferred for a full scale discussion when the premiers of the provinces might be present, and this took place a couple of weeks ago. At that time the subject of discussion was the type of over-all program which looks at need, the type of program which says, "Does this man or woman need public assistance;" and this kind of test is a more modern one, and one which does fill in the gaps which presently exist with regard to categorical programs.

The provinces expressed an interest in exploring future legislation of this kind, and as a result each premier, speaking on behalf of his province, indicated that he was prepared to enter into a series of consultative talks at the civil service level, so that it may take some considerable time to work out a program and recommend it to the federal and provincial governments.

These programs, being shared programs in which the federal government in two cases pays 50 per cent of the cost, and in one case 75 per cent of the cost, can be, and have been in the past on more than one occasion, imposed by the federal government on the provinces as a serious burden, particularly when they come at a point late in the fiscal year of the federal government and the provincial governments, when money has not been allocated in either the federal or provincial treasuries for them.

In the past there has not always been consultation between the provinces and the federal government, and accordingly what has happened is that federal members, in enacting federal legislation, impose an insuperable burden on the provincial governments, because they are then placed in a position that if they do not enact their own legislative changes, in order to keep up with the standard to which the federal government has led the way, they are put in very serious political disability with their own people.

Accordingly we would want to discuss this. We are moving ahead with what we hope will be a better type of program in the future, but admittedly it will take some period of time to bring about agreement on all sides. At all times it has been indicated it was the intention of the federal government, once the future of these programs was ascertained, to move to bring them up to the same level as the old age security payments.

This is the approach which I am sorry my hon. friend from Perth appears to have forgotten was mentioned in the white paper on the Canada pension plan in July, and which was mentioned by the hon. member for Winnipeg North Centre. In the interim, and after consultation with the provinces two weeks ago, the same amount of money, $10 per month, was agreed to by the government and that proposal is now before the committee.

One hon. member inquired why the figure of $120 a month earned income was decided upon. There have been various sums in the past, but it was decided that this amount is sufficient to permit everyone to get the benefit of this $10, and not to suffer by having it cut down, as was mentioned by the hon. member for Skeena. All the provinces asked for a greater exemption of the income ceiling, but I can tell the hon. member for Quebec-Montmorency that neither his province nor any other suggested that the income ceiling exemption should be greater than it now is in this bill.

The hon. member for Perth said that this legislation should have been presented earlier. I am at a loss to understand a speech such as that, because he and his colleagues are constantly making speeches about the need for consultation with the provinces in advance of action. We do this, and then my hon. friend complains that we have not gone charging in on our own. He cannot have it both ways. We believe that advance consultation with the provinces on matters that will impose a financial burden upon them is the right way to do it, and this is the reason we approached it in this way.

Of course, it might be possible to back date this program to October 1. It provides some administrative problems, I was informed by some provinces, and some were negative in their approach; but their main consideration was the fiscal one. We asked each province in turn to say at what month they thought we should begin payment, and almost half of them placed it as far ahead as April 1 next. As a result of this legislation when it passes—as I assume it will, since from all sides of the house agreement has been indicated—it will be necessary to amend 36 agreements, as I pointed out, which we have

with the provinces. This is only enabling legislation and I cannot guarantee to the members of this committee or to the interested individuals in this country that payment will commence on December 1. This only indicates that the federal government is prepared to start making its share of the contribution as of that date. I assume that any province which finds itself financially incapable of doing so will not be paying this to their blind, disabled or aged persons who are in need of assistance. But we are prepared to meet the cost as of that date.

While I am mentioning the cost, Mr. Chairman, I would point out that the hon. member for Burnaby-Coquitlam dealt with this question and was able to figure out, as all of us are, that $4.2 million in a quarter amounts to about $13 million a year. It actually comes to $7.9 million for old age assistance, $3.9 million for disabled persons allowances and $.8 million for blind persons allowances, for a total of $12.6 million in a full year. The cost is admittedly not terrifically burdensome when one looks at the over-all cost of welfare. The benefits to the individual are very great. In the past many applications were turned down, mainly within the disabled persons category, and on this and some other occasions hon. members have mentioned the restrictions under the definition of "disabled". To the department and to each minister in succession this has quickly become a familiar problem, as have the representations on behalf of the blind, or by blind individuals and those who care for their welfare. These representations have pointed out the cost of blindness, which these people feel should merit a special allowance. But surely the members of the committee will see that to avoid discrimination, to avoid pigeon-holing people, the kind of program which I as minister mentioned as far back as July, and which has been mentioned by one or two hon. members today, notably the hon. member for Winnipeg North Centre, that is moving away from sort of making second class citizens of people because they have a specific disability, is a better type of program. It commends itself to me; it commends itself to those provinces which committed themselves, at least as far as the conference was concerned, and it may well be this will be the last time this house is called upon to make amendments to these three specific pieces of legislation.

I should like to make another observation here, Mr. Chairman. As I think all members know, the administration is handled by the provincial governments and not by the federal government. I receive a number of applications from individuals, particularly for disabled pensions, who do not seem to understand that this is not handled from a central office in Ottawa. Perhaps one of the better features of its being handled by the provincial governments is that they are closer to the people and are able to keep a better check on the program. Unfortunately these tests are means tests, a test which has come to be held with certain disapproval by most people in the welfare field in this country; but the movement is from the means test to a more liberal test, and that is a needs test—not of what someone already has, but what it costs them to live in an individual area. My hon. friend from Simcoe made this point, that there are differing costs in differing parts of our country.

It is hoped, Mr. Chairman, that this is perhaps the last step with respect to these three programs, and perhaps in taking this last step it is the first step toward something which may fill a greater need, will make sure that the people of Canada receive better value for their welfare dollar, and will move away from categorizing individuals by virtue of a particular disability.

Mr. Monteith: Mr. Chairman, I will be very, very brief. I would simply like to say that it seems to me the hon. lady was overly sensitive in this respect, because the provinces already have these acts in force; they have legislation in force, they have agreements with the federal government and this is only a matter of increasing the amount. I still claim this should have been done at the same time as the old age security payment was increased. It would then have been optional for the provinces to decide whether they would take action, as it is now. The hon. lady indicated that apparently some provinces do not contemplate bringing this program in for some months. The same situation would have prevailed with regard to October 1, and those who wished to do so would have been in a position to do so.

Mr. Douglas: Mr. Chairman, there are a great many things one would like to say in this field of social welfare, because it is an extremely important topic and a question with regard to which we in Canada still have a long way to go if we are to keep pace with many of the other nations of the world which have far outstripped us in establishing adequate social security programs. However, I do not propose to go into the matter in detail at this time because, like all other members of the committee, I am extremely anxious that this legislation be passed quickly so that those in receipt of old age assistance, blind persons and disabled persons allowances will

receive the $10 increase to which they are entitled and will receive it at the end of this month.

Therefore what I wish to say I shall capsule very quickly into four brief points. First I would like to support wholeheartedly the suggestion of my colleague the hon. member for Winnipeg North Centre that the government and we in this house must start thinking in terms of a comprehensive social security program for Canada. The patchwork system we have now leaves a great many gaps in the social security program. Anyone who has taken even a cursory glance at the social security systems in the Scandinavian countries, western Europe and Great Britain will know that only with a comprehensive program can you be sure there is not a great deal of suffering and a great deal of privation. We have a social security program that goes forward in fits and starts, depending on public pressure and the ability of certain groups to organize and express their disapproval. But the smaller groups which suffer from the lack of an adequate social security program are hardly ever heard, and the result is that they are often neglected and forgotten.

So I do wish to press for the early consideration of an adequate social security program that will be comprehensive in scope and will really make Canada a humanitarian, welfare society.

Second, I was pleased to hear the minister say that her department is giving thought to a new approach to these shared programs; that instead of a means test we are going to begin thinking in terms of a needs test. It is possible to measure income, but this does not measure need.

The hon. member for Simcoe East talked about the cost of living in different parts of the country, but in addition to that problem one also has to keep in mind that there is a difference in the cost of living for two people living in the same community. One person may require expensive drugs such as insulin or aureomycin or may need a special diet. One person may live under certain conditions as a result of which he requires more assistance than another person who is enjoying comparatively good health. Therefore, if we are going to keep up to date in the kind of welfare program which has become commonplace in the western world, we have to reorganize these shared programs so as to provide for a needs test basis rather than a means test basis.

This is particularly true in the case of disabled persons. I am not going to take the time of the committee to remind hon. members of what everyone knows, that the present Disabled Persons Act is so rigid in its regulations that it really applies only to persons who are almost totally helpless and completely incapacitated. Yet there are thousands of people in Canada who are unemployable to all intents and purposes. They are not completely incapacitated but they are incapacitated in so far as it is possible for them to earn a living. A needs test could be applied to people of this kind. Probably they do not need as much as a person who is bedridden, but they do need sufficient to enable them to live in decency and comfort without having to be treated as relief recipients.

The third point I wish to make is to suggest to the minister that consideration be given to doing what the Scandinavian countries have done for a number of years, namely tie pensions to the cost of living index. We tend to sit back, let the cost of living go up, and when it has risen so far that it has eaten up all of the increase we gave these recipients we then boost the pension. A d.b.s. daily bulletin which I received a short time ago shows that the cost of living in the last two months has risen to 134, an increase of six tenths of 1 percentage point, making it the highest cost of living in our history. It has gone up 2.1 percentage points in the past 12 months. This means that as the cost of living goes up the buying capacity of these pensions declines. I think there is a good deal to be said for tying these pensions to the cost of living so that without legislation the department would be able to adjust pensions automatically every quarter or biannually in conformity with the rising cost of living.

The last point I want to make is to join my voice with those of almost every other member who has spoken in urging the minister to give further consideration to the effective date of this legislation. As has been pointed out, these shared programs are on a means test basis which means that those who are recipients have virtually no other income. They are almost completely dependant on the payments made under this legislation. If there are any groups that need the $10 a month increase certainly they are the old age assistance pensioners, the blind pensioners and the recipients of disabled persons allowances. It seems, therefore, most ironic that they should be deprived of the increase for two months when it has been given to old age security pensioners, all of whom are not in the same necessitous circumstances as are those in these groups.

The minister takes refuge in the fact that she had to consult with the provinces and that the provinces indicated that December 1 was about as far back as they were prepared to go. I am not quarrelling about consulting with the provinces. I am suggesting, however, that

the government has known for some months that it was going to raise the old age security pension by $10 per month and that before the legislation was brought into the house there was no reason why the provinces could not have been approached by letter asking them if they were prepared to agree to a $10 a month increase in the shared programs, so that all persons coming under these programs could enjoy the $10 a month increase at the same time. The minister would then have been able to bring down all the legislation at the same time and treat all these recipients alike.

I object very strongly to the fact that again and again these most needy groups are cheated out of two months increase simply because they have to wait while the federal and provincial governments make up their minds.

Mr. Monteith: Could I ask the hon. member a question? When did this happen before? He has said this has happened again and again. When did it happen before?

Mr. Douglas: I would not want to say without checking the record but my recollection is that in 1951 there was a gap.

Mr. Monteith: I just want to make it clear that there was not in 1957 or 1962.

Mr. Douglas: The hon. member for Perth is quite right. There was not in 1957 or 1962. My recollection is that there was in 1951, but I would want to check the record before being categorical. At that time I had some responsibility in the matter and I remember the battle we waged. To the best of my recollection there was a gap then between the time when the old age security increase became effective, and the increase in the categorical shared program pensions became effective.

I am simply saying it is not good enough to have this gap between these two programs. If there is to be any gap at all it could more easily be justified the other way, but certainly these groups for whom we are legislating now should not be cheated out of two months pension increase just because the federal and provincial governments did not get together early enough to act promptly and to treat all pension groups alike.

I feel perfectly certain that if the provinces had been told at the federal-provincial conference that the government of Canada was going to introduce legislation making the increase in old age assistance pensions, blind pensions and disabled persons allowances effective as of October 1, and it would leave it to the provinces to come in when they chose to do so, most of the provinces would have elected to come in as of October 1. I do not think there is any doubt about it. I wish that the government had taken its courage in its hands and simply made that perfectly clear to the provincial governments.

If the minister and the government are adamant and are not prepared to make October 1 the effective date, the very least they can do is to make the increase in allowable income retroactive to October 1 in order to deal with the kind of case referred to by the hon. member for Skeena where an individual has had her old age assistance pension reduced because her spouse has had an increase in the old age security pension. This would at least remove that kind of disparity. I offer that as a very mild concession but I hope the minister will go much further. Before the legislation passes through the committee I hope the minister will agree to change the effective date to October 1, and then use her very considerable influence with the provincial governments to make their payments retroactive to October 1. Some of the provinces may not be prepared to do so, but I hazard the guess that the great majority of them will welcome this move and will be prepared to pay their share of the pension back to October 1. I hope the minister will give this very careful consideration.

Clause agreed to.

Clauses 2 and 3 agreed to.

On clause 4—*Coming into force.*

Mr. Knowles: Is the minister going to respond, as I am sure in her heart she would like to, to the appeals which have been made to change the effective date to October instead of December? If it were in order for us on this side of the house to move an amendment to that effect we would do so, but as it involves the expenditure of public money we could hardly move such an amendment. But the minister could. Will she?

Mr. Barnett: I am sure many hon. members would be quite prepared to give the minister their solemn assurance at this time that, if she does accede to this request, when we return to our home provinces we will be quite prepared to deal with any objections which might be raised in our own areas to this particular move.

Miss LaMarsh: Mr. Chairman, I must say I have a great deal of sympathy with the request made by the last three hon. members who have spoken. But it must be appreciated that after the discussions in September, the week-long federal-provincial conference, and the consideration given to it by the Queen's ministers, this decision was taken in light of all the information available. It is not

within my province now, despite the matters brought forward by my hon. friends, to alter that decision. Therefore, most regretfully, I must say I am not prepared to sponsor such an amendment.

Mr. Douglas: Mr. Chairman, could I just answer a question put to me by the hon. member for Perth a few moments ago. I have just checked the facts. In 1952 all the pensions came in at the same time, effective on January 1, 1952. I was in error when I suggested that at that time there was a difference in dates.

Mr. Monteith: Then I do not suppose there has been any time when they actually lagged, up until this present period.

Mr. Douglas: I believe that is correct.

Mr. Howard: Mr. Chairman, I wonder whether I could point out that under the auspices of the Department of National Health and Welfare a publication was presented which states year by year and date by date precisely what the hon. member for Perth has just contended, that up until this present time there has never been a lag. Whenever old age security has been increased and has come into effect, at the same time old age assistance, blind persons allowances and disabled persons allowances have been increased accordingly. This is a new venture, and it is unfortunate that it has to take place under the jurisdiction of the hon. lady because she is such a kind, gentle and humane soul, and I hope this is not her parting act as minister.

Clause agreed to.

Title agreed to.

Bill reported.

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

Mr. Knowles: Now, by leave.

Mr. Monteith: Next sitting of the house. I should like to point out that in 1962 when the same bills were put through, third reading was given on the twelfth of the month and the increases were made payable as of the first of the month. Therefore, tomorrow being the eleventh, I should like to suggest it receive third reading then.

Mr. Deputy Speaker: Next sitting of the house? Agreed. It being five o'clock the house will now proceed to consideration of private members' business.

Mr. Pickersgill: Mr. Speaker, does the house really want to proceed with private members' business at this late hour?

Some hon. Members: Yes.

Mr. Aiken: There are a number of very important private bills on the paper and we are hopeful that they can be put through by six o'clock.

Mr. Pickersgill: Right.

Mr. Deputy Speaker: Then the house will now proceed to private members' business as listed on today's order paper, namely private bills and public bills.

PRIVATE BILLS

SECOND READINGS—SENATE BILLS

Bill No. S-45, respecting the Executive Board of The Canada Conference of the Evangelical Lutheran Augustana Synod of North America.—Mr. Ormiston.

Bill No. S-47, to incorporate Royal General Insurance Company of Canada.—Mr. Asselin (Notre Dame de Grace).

Bill No. S-48, respecting The Northern Life Assurance Company of Canada.—Mr. Morison.

Bill No. S-51, to incorporate Family Life Assurance Company.—Mr. Asselin (Notre Dame de Grace).

THE CANADA NORTH-WEST LAND COMPANY (LIMITED)

Mr. Ian Grant Wahn (St. Paul's) moved the second reading of Bill No. S-49, respecting the Canada North-west Land Company (Limited).

Mr. Howard: I would appreciate it very much if the sponsor would give some outline of the purposes of the bill.

Mr. Wahn: Mr. Speaker, this company is an old company. Originally a land company, it has now sold practically all its land holdings. I believe it now holds only a quarter section of land and a number of mineral leases. Over the years its operations have gradually changed, till at the present time its operations are more those of an investment company rather than those of a land company. The amendments now proposed are for the purpose of making its charter consistent with the business it is now carrying on. Its objects are being changed and its capital structure is being changed to conform with its present operations. All the directors and officials are residents of Canada and this is a Canadian owned company.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

MORTGAGE INSURANCE COMPANY OF CANADA

Mr. A. J. P. Cameron (High Park) moved the second reading of Bill No. S-50, to incorporate the Mortgage Insurance Company of Canada.

Private Bills

Mr. Fisher: I wonder if the sponsor of the bill would tell us something about the company which is to be incorporated.

Mr. Cameron (High Park): This is quite a long statement but I shall try to condense it. This is to provide for the incorporation of a company to transact the business of mortgage insurance. The company is intended to operate entirely outside the field of the National Housing Act, that is to say, in the conventional mortgage field.

The National Housing Act permits approved lenders to lend up to 95 per cent of approved lending value of new construction. Existing legislation permits institutional lenders in the conventional field to lend up to only 66⅔ per cent of approved lending value of existing and new houses. There is at present an acute need for high ratio mortgage loans in the existing housing market.

The relative unavailability of high ratio loans for existing houses has resulted in a profusion of second mortgages with high interest rates, vicious practices, and extortion as revealed in recent public inquiries. This situation has resulted in certain pressures to make public funds available in this field, for example from the Central Mortgage and Housing Corporation.

The present bill is the answer of private enterprise. It represents the response of private enterprise to the need for remedial action in this field.

The plan, which is the product of long study, contemplates a joint approach by institutional lenders such as life insurance companies, mortgage companies and trust companies, on the one hand, and mortgage investment companies on the other. The institutional lender will continue to lend up to 66⅔ per cent of the approved lending value, and a mortgage investment company will lend up to an additional 16⅔ per cent of the approved lending value. The two together will make available up to 83⅓ per cent of approved lending value, for example, five sixths thereof, and will do so at reasonable interest rates. I may say the loans will be insured; it is mortgage insurance.

I think that with this short explanation the hon. member will understand the purpose of the bill.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

GOOD NEWS BROADCASTING ASSOCIATION OF CANADA

On the order:

House in committee of the whole on Bill S-15, an act to incorporate the Good News Broadcasting Association of Canada (as amended).—Mr. Enns.

[Mr. Cameron (High Park).]

Mr. A. J. P. Cameron (High Park): Mr. Speaker, I have spoken to the sponsor of this bill and he has kindly agreed to let it stand on the understanding that it retains its position on the order paper. I have already spoken to the acting house leader and I believe this is agreeable to the government.

Mr. S. J. Enns (Portage-Neepawa): Mr. Speaker, I agree to giving precedence to items three to seven, but I request, by unanimous consent, that item No. 2 follows item No. 7 on the order paper.

Order stands.

[*Later:*]

On the order:

House in committee of the whole on Bill S-15, an act to incorporate the Good News Broadcasting Association of Canada (as amended).—Mr. Enns.

Mr. MacNaught: I wonder if the hon. member for Portage-Neepawa (Mr. Enns) would consent to allowing item No. 156 to be called? It is a similar bill to the last, it will only take a moment, and I think it is desirable that it be passed so that it may be disposed of this session.

Mr. Enns: I am quite agreeable to following the conciliatory mood of the house this afternoon and agreeing to the request of the hon. gentleman.

Order stands.

[*Later:*]

House in committee on Bill No. S-15 to incorporate the Good News Broadcasting Association of Canada—Mr. Enns—Mr. Lamoureux in the chair.

On clause 1—*Incorporation.*

Mr. Deachman: When this bill came before the committee in the first instance there were a number of considerations which arose in consequence of which it was sent back to the committee for further examination. When the bill was again before the committee for further study, additional witnesses were called and additional information was obtained. Following this further scrutiny, certain amendments were made. These appear, I believe in *Votes and Proceedings* of December 9.

However, despite these amendments and despite the testimony given by those who were called to give evidence before the committee in respect to this bill, a number of features remain which, in my view, warrant the careful scrutiny of this house, and it is for that reason I rise at the present time.

First of all, what is the Good News Broadcasting Association? I am not yet satisfied, though I listened carefully to the witness from the United States who appeared before us on behalf of the Good News Broadcasting

Corporation of the United States, the parent company, one might say, which is associated with Good News Broadcasting in Canada—I am not convinced that we are actually dealing here with an association. Rather, I believe we are dealing with a proprietorship of one or several individuals; that the so-called Canadian association is not truly an association but, in fact, an extension of a United States franchise.

I might point out that no evidence was brought before the committee to show, for example, that those associated with Good News Broadcasting in Canada are in any way an association with an elected body—elected members with a congregation, for instance, as a church might have a congregation.

Some hon. Members: Six o'clock.

Mr. Aiken: In view of the fact that some 45 minutes of the private members' hour were spent discussing other matters I wonder whether the Chair would permit the hon. member to complete his remarks, in which case we might get this bill through.

Mr. Deachman: I think it was understood on both sides of the house that time usually taken up by private members' business would be shortened for the purpose of dealing with the legislation which preceded these items. I see it is six o'clock.

Progress reported.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

CANADIAN WORLD EXHIBITION CORPORATION ACT

AMENDMENTS RESPECTING SITE, NUMBER OF DIRECTORS, ETC.

The house resumed from Monday, December 9, consideration of the motion of Mr. Deschatelets (for the Prime Minister) for the second reading of Bill No. C-120, to amend the Canadian World Exhibition Corporation Act.

Mr. Deputy Speaker: Last evening when the motion for second reading of this bill was proposed, the hon. member for Winnipeg North Centre (Mr. Knowles) raised a point of order to the effect that since this bill contained money provisions it should have been initiated by means of a resolution based upon the recommendation of the Governor General. During the course of the discussion reference was made to a number of citations in Beauchesne's fourth edition and also to section 54 of the British North America Act.

I do not intend to discuss the merits of these citations except to say that, meanwhile, I have had an opportunity not only of reviewing these citations but also examining the provisions of the bill. It seems to me that there is at least one money provision in this bill. Section 3 of the bill seeks to increase the number of directors from 12 to 14. Section 5, subsection 2 of the original statute, provides for payment by the corporation to the directors of reasonable travel and living expenses. The financial provisions of the original bill were as follows:

> The Minister of Finance, at the request of the corporation, may, out of the consolidated revenue fund, pay to the corporation by way of grant such amounts as are required for the conduct of the business of the corporation but the aggregate of all amounts paid to the corporation under this section shall not exceed $20 million.

It is obvious that the increase in the number of directors, requiring additional expenditures out of public funds for the payment of the additional directors' travelling and living expenses will not affect the total sum of $20 million authorized by existing legislation. However, the new act will change the conditions attached to the spending of these moneys by the original act, and to this extent the bill now before the house would appear to be a money bill.

I have, of course, given serious thought to the arguments advanced briefly by the Minister of Public Works (Mr. Deschatelets) to the effect that the proposed legislation does not require to be preceded by a resolution because there is existing legislation authorizing the total capital fund out of which will be paid the additional expenditures contemplated by the amending bill. May's sixteenth edition, at page 754, has the following comments which would perhaps fortify the minister in his views:

> The question often arises whether a proposal for expenditure or for increased expenditure is not already covered by some general authorization. The test for determining this question in the case of a substantive proposal, that is, a provision in a bill, as introduced, is a comparison with existing law. The comparison of provisions in a bill with the law on the subject, as it exists, may show that, while such provisions undoubtedly involve expenditure, the power to incur such expenditure is covered by general powers conferred by statute.

Many examples of expenditure which, as being covered by pre-existing legal powers, is not treated as a charge are given on page 761. This standard of reference is readily applicable in the case of the large and increasing number of bills which are, in terms, amendments of previous statutes on the same subject. But in other cases considerable research is necessary to determine whether a

provision which obviously involves expenditure is a "new and distinct" charge. The application of this test has given a somewhat uncertain answer to one difficult question—whether a provision for expenditure which proposes to finance that expenditure out of funds provided by statute for another purpose is or is not a "new and distinct" charge.

Undoubtedly, there are a number of precedents cited in May's which might be considered to support the view that the proposed increased expenditure in the bill before us is covered by the general authorization in the existing law to the extent that a resolution is not required at this stage.

However, these precedents which come from the House of Commons of the United Kingdom are at variance with our own parliamentary practice. This may stem from the fact that the British usage in this regard is based on precedent, while we are bound in Canada by the constitutional provision of section 54 of the British North America Act, which is restated in standing order 61 of the standing orders of the House of Commons.

It must also be pointed out that the precedents referred to in May's are not recent decisions and at page 763 of the same edition it is stated in part as follows:

> Recent practice makes it doubtful whether certain older decisions, exempting on technical grounds charges from the requirements of financial procedure, would now be upheld.

Later on pages 763-764, it is stated, in part, as follows:

> The examples given below are precedents which require due consideration. It is doubtful if they would be now followed. Indeed in 1928 a bill which proposed to substitute a new purpose for an existing statutory grant was ruled out of order because it had not been introduced on a resolution recommended by the crown.
>
> The exemption of these cases from the provisions of the standing order was made on technical grounds and seems hardly within the spirit of the rules. It is true that in the cases given below the proposals emanated from ministers of the crown, and consequently the principle of the financial initiative of the government was not in substance abrogated. But from the abandonment of the machinery for enforcing the principle it would follow that the proposal of such methods of financing expenditure would be equally open to private members, and even in the cases referred to there would have been no ground for refusing amendments offered by private members for increasing the proposed expenditure.

May I now refer to section (1) of citation 260, Beauchesne's fourth edition, which is as follows:

> The tendency has been in the Canadian House of Commons, for the past 25 years, to rule out all motions purporting to give the government a direct order to do a thing which cannot be done without the expenditure of money. Our *Journals* are full of precedents to this effect.

The principle enunciated in section 54 of the British North America Act and in standing order 61 is expressed in Beauchesne's fourth edition, citation 355, in the following terms:

> Bills involving expenditure of public money or taxation, and all measures involving a charge upon the people must be preceded by a resolution.

It should be noted however that a resolution is required not only when an amendment seeks to increase the amount previously approved by parliament, but also if it changes the modality and conditions of the grant authorized by the original legislation.

Citation 246 (3) of Beauchesne's fourth edition reads as follows:

> The guiding principle in determining the effect of an amendment upon the financial initiative of the crown is that the communication, to which the royal demand of recommendation is attached, must be treated as laying down once for all (unless withdrawn and replaced) not only the amount of a charge, but also its objects, purposes, conditions and qualifications.

In my opinion, the bill before the house seeks to alter the conditions relating to the expenditure of the funds previously authorized by parliament, and should thus be considered as a money bill, which can only be introduced by a minister of the crown after a proper resolution.

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, my face is not as red as it would have been if you had made your ruling last night because, after a certain amount of reflection, I came to the conclusion that the rather tentative views I expressed last night might be found by Your Honour not to warrant justification. The fact that you have upheld the initiative of the crown cannot be altogether displeasing to those who sit on the treasury benches. I think the best thing I can do in the circumstances—and in anticipation I have spoken to my right hon. friend who is the sponsor of the bill—is to put a motion on the order paper in the normal way, and when it is proceeded with in the normal way we will take on the bill. Meanwhile I would appreciate it if you would call the next item of business.

Mr. Deputy Speaker: Shall this bill be allowed to stand?

Some hon. Members: Agreed.

Mr. Stanley Knowles (Winnipeg North Centre): Does this bill now on the order paper stand, or does it get reintroduced after the house has passed the resolution which is now to be placed on the order paper?

Mr. Pickersgill: I am quite willing to let the Chair decide that without argument.

Mr. Deputy Speaker: I am informed that there is a precedent, dating back to 1912 or 1913, where the procedure which is now proposed by the Secretary of State was followed.

Mr. Nowlan: It was a good government then.

Mr. Knowles: The Secretary of State was not here then.

Mr. Deputy Speaker: Shall the bill stand as agreed?

Some hon. Members: Agreed.

CANADIAN NATIONAL RAILWAYS

APPOINTMENT OF AUDITORS

Hon. J. W. Pickersgill (for the Minister of Transport) moved the second reading of Bill No. C-121, respecting the appointment of auditors for national railways.

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

On clause 1—*Auditors.*

[*Translation*]

Mr. Gregoire: Mr. Chairman, with regard to section 1, I would have a few questions to direct to the Minister of Transport (Mr. McIlraith). Since he is not here and since the Secretary of State (Mr. Pickersgill) is indicating that he is replacing him, I will put my questions to him.

First, who were the C.N.R. auditors before those we are appointing now and second, until what time did the previous auditors assume those functions?

[*Text*]

Mr. Pickersgill: I think the parliamentary secretary to the Minister of Finance is better informed than I.

Mr. Benson: I could perhaps explain this briefly. As I understand the situation, from the inception of independent auditors for the C.N.R.—I believe it was about 1923—to the early 'thirties, George A. Touche and Company were auditors of this firm. Then in the early 'thirties, at the time when the Right Hon. R. B. Bennett was elected prime minister, Clarkson, Gordon and Company were nominated as auditors of the Canadian National.

When a Liberal government was re-elected a few years later the audit was then reverted to George A. Touche and Company and they carried on until, I believe, 1958 at which time a Mr. J. A. de Lalanne was appointed as auditor to Canadian National Railways. This continued until last year. Now, Mr. de Lalanne was a partner in the firm of McDonald, Currie and Company, and last year the audit was put in the name it is now in, in the C.N.R. finance bill which is to come before the house, appointing the auditors for last year when the audit was transferred to McDonald, Currie and Company.

This bill is simply to revert the audit to the auditors who have been auditors of the C.N.R. for the entire period it has had public accountants as auditors, except for two brief periods.

[*Translation*]

Mr. Gregoire: I would like to ask the parliamentary secretary to the Minister of Finance if the former accountants and auditors are being replaced because their services were not satisfactory.

[*Text*]

Mr. Benson: I think that the government has decided that the firm which has done the audit of the C.N.R. during most of the period it has had independent auditors is quite well qualified to carry on with the job. I would not like to imply political patronage at any time in this entire operation of the C.N.R. Nevertheless, the firm of George A. Touche and Company have always been the auditors of the C.N.R., except for the two brief periods I mentioned, and it is the belief of the government that the audit should revert to the firm that has traditionally done the auditing.

Mr. Fairweather: Mr. Chairman, I want to ask—

[*Translation*]

Mr. Gregoire: Mr. Chairman, I would have another question to direct to the parliamentary secretary to the Minister of Finance—

The Chairman: Order. I recognized the hon. member for Royal (Mr. Fairweather). I shall recognize the hon. member for Lapointe next.

[*Text*]

Mr. Fairweather: I want to ask the parliamentary secretary whether he would not agree that this is the Enterprise post office formula on a larger scale?

Mr. Benson: I think it is not nearly as near the Enterprise post office formula as was the appointment made in 1958.

[*Translation*]

Mr. Gregoire: Mr. Chairman, auditors are appointed here to the C.N.R. This is therefore, among others, quite an important function concerning the control of the C.N.R.

Now, when looking over the list of the C.N.R. board of directors, one finds that among the president and 17 vice presidents, there is only one French Canadian. On this

very matter, I was asking the Minister of Transport a question the other day concerning—

The Chairman: Order. Perhaps the hon. member for Lapointe could indicate to the Chair how his comments tie in with the bill now before the committee, which concerns exclusively the appointment of auditors for the C.N.R.

Mr. Gregoire: Mr. Chairman, you know very well what may involve—

An hon. Member: Order.

Mr. Gregoire: —the appointment of auditors for the C.N.R. It is not because some individual on the other side of the house shouts "order" that one is out of order.

You know very well that we are discussing the appointment of a person who will act as an auditor—

The Chairman: Order. I should like to ask the hon. member for Lapointe not to go beyond the bill now before the committee.

Mr. Gregoire: Yes, Mr. Chairman, I am speaking to the bill now before us. As I said, parliament is being asked to appoint an auditor for the C.N.R. This is just one of the functions in the Canadian National.

Each time somebody is appointed to the Canadian National, such an appointment is within the general frame of the present debate. I submit that my remarks are completely within the limits of the debate on the bill.

When, as I said a moment ago, I note that out of the 18 directors of the Canadian National, there is only one French Canadian, and that when there is a new appointment to the Canadian National, it is not a French Canadian who is appointed, are we not entitled to protest? Every new opportunity which arises to appoint a French Canadian is disregarded.

Mr. Chairman, I want to say this. The appointments are made without parliament knowing about it, without the hon. members knowing about it. On the other hand, when this bill, or any other bill, is submitted to the house, when our approval is sought we have the right to stand up and say: when the government appoints people, it does not take into consideration—and it did not in the past—the fact that we are living in a bilingual country, that both races, both cultures, English and French, have the right to be recognized, and consequently that French Canadians should be appointed to high positions within the crown companies, and not exclusively our fellow citizens, heirs to the other great cultural heritage of this country.

[Mr. Gregoire.]

Mr. Chairman, I submit that my remarks are in order. I request that they be taken into consideration in the appointment provided for in this bill.

[*Text*]

Some hon. Members: Order.

Mr. Scott: Surely, Mr. Chairman, you will protect us from these wild, irresponsible, demogogic statements that are being made by the hon. member.

Some hon. Members: Hear, hear.

[*Translation*]

Mr. Gregoire: Mr. Chairman, I wish to speak on the point of order.

I know we often deal with the French fact. That may not agree with certain members. But I would remind these members, who are perhaps the ones who speak from morning till night when agriculture or western wheat is discussed, that we do not complain. On the contrary, we encourage them to speak about their problems in the House of Commons. Should there be in the house western members who wish to speak about wheat, we shall approve them.

Each member speaks about the problems in which he is interested. As far as we are concerned, we speak about those in which we are interested. I think the hon. member is ill-advised to interrupt as he did a moment ago.

The Chairman: Order, please—

Mr. Teillet: Mr. Chairman, I—

The Chairman: Order. The hon. member for Lapointe cannot make remarks in that respect, since they refer to the appointment of members of the board of directors of the C.N.R. However, I believe that when he complains, for instance, to follow his line of thought, that generally the government does not name French Canadians to certain positions, he comes closer, to a certain extent, to the bill under study.

On the other hand, I would ask him to link his remarks more specifically to the particular appointments we are considering at the present time.

Mr. Gregoire: Mr. Chairman, in my opinion, my remarks are connected, by way of consequence, to the appointment of the auditors for the C.N.R. since that appointment forms part of the general picture. It is through that deduction that it relates to the bill under consideration.

In my opinion, it is not demagogic for a member to rise in this house and claim part of what belongs to his own people in a country where one would like understanding to prevail. That is how I connect my remarks,

because understanding will exist only when appointments are made to ensure that the two great nations that make up our country will co-operate in the administration of public business, the various departments and crown corporations.

That is why I protest, not against any specific appointment, because I trust the parliamentary secretary to the Minister of Finance, I recognize the competence of those accountants and their honesty when auditing the books of the C.N.R.

The only thing I deplore is precisely—

[*Text*]

Mr. Benson: Mr. Chairman, will the hon. member permit a question? I was wondering whether the hon. member is aware that there are a number of French Canadians in the firm of auditors that is being appointed for the C.N.R. audit. In fact, I would think there are as many French Canadians in this firm as there are in any major accounting firm in Canada.

[*Translation*]

Mr. Teillet: Mr. Chairman, may I make a comment?

I should not like to leave unchallenged—

The Chairman: Is the hon. member rising on a point of order? The hon. member for Lapointe still has the floor.

Mr. Gregoire: Mr. Chairman, there may be several French Canadian accountants in that firm. I was asking for information about that a while ago and I am only too happy to get some. Besides, I pointed out that those appointed as public accountants are qualified, and the protest I raise tonight is not against that firm of accountants. I do want to say that, but it is rather against the fact that we do not appoint a reasonable proportion of French Canadian people within the federal civil service and the crown corporations.

It is on that point that I raise my objection.

[*Text*]

The Chairman: The hon. member for Winnipeg North Centre.

Mr. Knowles: Mr. Chairman, I should like to repeat a suggestion that I think I first made 15 or 20 years ago. It was rejected then and was rejected several times after I first made it. It seems to me that tonight it is more appropriate than ever. My suggestion can be put in the form of a question. Why not have the Auditor General of Canada do the work of auditing the accounts of Canadian National Railways?

Mr. Teillet: Is this still the point of order?

Mr. Knowles: No. Is there a point of order? I was making a speech. Just because I am on my feet does not mean there is a point of order.

Mr. Pickersgill: It is a reasonable assumption.

Mr. Teillet: Mr. Chairman, I am sorry to interrupt the hon. gentleman, but I thought the Chair a moment ago pointed out to me that we were discussing a point of order and asked whether my remarks were on it, and they were not. I thought I had the floor then.

The Chairman: No, I am afraid not. I recognized the hon. member for Winnipeg North Centre.

Mr. Knowles: Mr. Chairman, I do not blame my hon. friend and neighbour from St. Boniface for being confused. When I made the suggestion some years ago that the Auditor General might do this job, there was never at that time any comment such as we have heard this evening, involving the use of the word "patronage". We proposed that the job should be done by him because we thought the Auditor General of Canada could do the job for us. After all, he is responsible to this parliament. But because the banter back and forth this evening over the changing of the firm of auditors has raised questions about patronage, it seems to me a good way to remove any such allegation would be by having this job done, not by a firm that might be friendly to this party or the other, but by the Auditor General appointed by the parliament of Canada. It seems to me also it would meet the point raised by the hon. member for Lapointe, because I understand that in the office of the Auditor General there are about 180 employees and I am sure a reasonable proportion of them are English speaking and a reasonable proportion are French speaking. I believe that not only does this suggestion made good sense and good economics, but it would do away with this query about patronage. It would also meet the contention of the hon. member for Lapointe, if the government would consider having this audit carried out by the Auditor General of Canada.

Mr. Benson: Mr. Chairman, perhaps I may make some brief remarks in this connection. I have some sympathy with the hon. member's suggestion with regard to having the Auditor General audit the accounts of the C.N.R. However, there are several corporations—and I think the minutes of the proceedings of the public account's committee of last week would indicate the number of audits—which are carried out by other than the Auditor General. I think there is a reasonably good reason for this, in that the Auditor General has

consistently had a tremendous problem in maintaining enough staff to carry out the work he has to undertake. I believe that in the public accounts committee over the past several years we have been trying to find ways in which the Auditor General can more easily obtain staff. This has now been solved to some degree, I believe. Nevertheless I think it would be utterly out of the question for the Auditor General to attempt to undertake an audit of the magnitude of that of the C.N.R. in the forthcoming year, in any circumstances. I will bring the suggestion of the hon. member to the attention of the government.

[*Translation*]

Mr. Teillet: Mr. Chairman, I should like to say a few words in order to take up the remarks of the hon. member for Lapointe (Mr. Gregoire) concerning western Canada.

I merely want to remind him that in the west, besides wheat, there are French Canadian groups that have many problems and often suffer because of the irresponsible words of the hon. member for Lapointe and other members of his group.

Mr. Lambert: Mr. Chairman—

Mr. Gregoire: I rise on a point of order. After what the minister has just said—

Mr. Lambert: Mr. Chairman, there is no point of order.

Mr. Gregoire: I rise on a question of privilege.

The Chairman: Is the hon. member for Lapointe rising on a question of privilege?

Mr. Gregoire: Yes, Mr. Chairman.

Mr. Lambert: The hon. member had better make sure there actually is a question of privilege.

Mr. Gregoire: Mr. Chairman, the Minister of Veterans Affairs (Mr. Teillet) has described our remarks as irresponsible. I wonder whether his French Canadian colleagues do not really find his own remarks of tonight irresponsible, because the demands we make are as much for his fellow citizens as for our own—

The Chairman: Order. The question of privilege raised by the hon. member for Lapointe is not justified.

Mr. Lambert: Mr. Chairman, I fully agree with your ruling. There was no question of privilege and I am surprised that attempts are being made to keep us from speaking by raising so-called questions of privilege.

[*Text*]

On another point I would ask the parliamentary secretary if it is not a case of there being more friends in one firm than in the other, because both of them are national firms and have representatives in the major cities where the Canadian National operates. Since he cannot show that there is a greater degree of competence in the one firm than in the other, why does he not face up to the situation and say that the government prefers the one firm to the other?

Mr. Benson: I think it is fairly obvious, and I made the point in my earlier statement that the C.N.R. audit is reverting to the status it had originally in that it is being given to the firm that has carried it on almost continuously since the C.N.R. has had independent auditors, except for the period when Mr. de Lalanne was appointed. I did not mention it earlier and I will try not to mention Mr. de Lalanne's position when he was appointed auditor in 1958. The audit is now simply reverting to the firm that has carried out the C.N.R. audit continuously except for a period when Clarkson, Gordon and Company did it in the 'thirties. Would one say that that firm was friendly to the party that is now in opposition? I really do not know, but the Clarkson firm was appointed by the Bennett government in the 'thirties. Mr. de Lalanne was appointed in 1957 or 1958 and it was then turned over to his firm of McDonald, Currie and Company. It is now simply going back now to the firm that has done the C.N.R. audit almost continuously.

Mr. Scott: Mr. Chairman, I just want to ask the parliamentary secretary what amount of fees is involved in an appointment of this kind. How much would this firm of accountants receive in fees?

Mr. Benson: It is $100,000 or $125,000 for the total audit. I believe it is $100,000, but I am subject to correction.

Mr. Knowles: Could the Auditor General not engage a few people for that amount of money?

Mr. Benson: About 15 chartered accountants.

Mr. Scott: I have been listening to the parliamentary secretary closely and I did not hear the reasons he gave for dissatisfaction with the present firm.

Mr. Benson: There is no dissatisfaction with the present firm. I would say that the firms are equally good. I do not want to dwell upon the appointment of Mr. de Lalanne in 1958. I did not want to point out that he was a candidate for a particular political party prior to his appointment. The audit is simply reverting to the firm that has traditionally done it.

[*Translation*]

Mr. Rondeau: Mr. Chairman, following several remarks on the part of the parliamentary secretary to the Minister of Finance (Mr. Benson), concerning the appointment of new auditors for the C.N.R., to my mind he has not been very clear yet. I should like to get more particulars, if possible, as to the actual reasons for such a change every time a new government is elected.

In the case of a company, there is no question of having a new auditor every year or every four years. The president may change, but the auditor does not, except for special reasons.

Just because the government changes, it does not follow that the auditor should. Presidents as well as directors of companies are replaced, but auditors are not unless there are very serious reasons.

That is the reason of my request to the parliamentary secretary to the Minister of Finance.

[*Text*]

Mr. Benson: Mr. Chairman, in answer to the hon. member I would say that the auditors of the C.N.R. are appointed annually as is the case in most commercial firms. The appointment comes up annually and in the case of the C.N.R. the parliament of Canada has the right of appointment and may choose the auditors to be appointed.

Mr. Nowlan: Mr. Chairman, could I ask the parliamentary secretary to the Minister of Finance if it is not correct that the auditors were changed during the last five years? One firm was changed to another. Is this not in keeping with the practice which has been followed during the years that the C.N.R. has been coming before parliament?

Mr. Benson: In answer I would say that the auditing of the C.N.R. has changed, as I indicated earlier, and this is simply a change that has taken place.

Mr. Nowlan: Mr. de Lalanne is being changed for another firm.

Mr. Martineau: Mr. Chairman, can the parliamentary secretary state whether the minister or the government received representations by members of the firm or other persons in favour of the appointment of this firm as auditors of the C.N.R.?

Mr. Benson: Not to my knowledge, and I think I can assure the house that there was no approach by the particular firm.

Mr. Martineau: I said by the particular firm or other persons.

Mr. Nowlan: There was none.

Mr. Benson: I really do not know about other persons but I would say this particular firm did not approach the government.

Mr. Fisher: Mr. Chairman, I am surprised at the reticence on the part of the parliamentary secretary to the Minister of Finance. I think most of us know what the problem was with Mr. de Lalanne. Obviously he was a percentage man. He was not carrying out the audit. He was hardly in a position even to supervise it. He was contracting it out and it was an unsatisfactory arrangement. It was quite obvious it was unsatisfactory to anybody who saw Mr. de Lalanne's performance before the sessional committee that deals with this matter, and I think that the government should be congratulated on changing the auditor.

The only question in my mind is why the government did not give McDonald, Currie and Company, who have developed experience, the opportunity to discuss whether they would be willing to take on the job. It seems to me they are a firm of such size and scope that if they were given the contract there would be no question of this business of diddling back and forth on the basis of whether the Grits were in the swing or the Conservatives were in the swing. If the hon. gentleman really wants to know the main reason, that is it. If he thinks I am wrong I would ask him to go back and look at the evidence before the sessional committee, not so much last year but the year before and the year before that. If he does he will see how unsatisfactory it is to have someone as auditor appear before a parliamentary committee who has really not been intimately in touch with the audit which has been carried out by another organization entirely. I think the parliamentary secretary will have to agree with my analysis and I cannot see why he has to be so circumspect.

Mr. Monteith: Just before the parliamentary secretary replies, may I say that the remark of the hon. member for Port Arthur that the previous auditor was a percentage man is completely unwarranted. True, he may have had other assistance in respect of completing the audit of the C.N.R., but I certainly believe that remark is completely unwarranted.

Mr. Benson: I also rise simply to say that I have no reason to agree with the statement of the hon. member for Port Arthur. In my statement to the house there was no question of the professional competence of the present auditors of the C.N.R., McDonald, Currie and Company. They are auditors of the C.N.R. subject to approval in the railway financing bill which is coming before the house. There is no question of the professional competence of Mr. de Lalanne, who is a chartered

accountant, or of McDonald, Currie and Company or of Ross, Touche and Company. The reason the change is being made is that Touche and Company are the traditional auditors of the C.N.R.

Mr. Langlois: Mr. Chairman, is that sufficient reason for changing the auditors, because the other one has been there and it is more or less a tradition? I should like to ask the parliamentary secretary to the Minister of Finance to explain the statement that it is something of a tradition in the auditing of the C.N.R. books that there should be a change. If one is doing the job properly, why not keep him?

Mr. Benson: There has been no long experience with the present firm, who are auditors of the C.N.R. for the year 1963. This is the first year of this firm's appointment as auditors. We are not questioning the professional integrity or competence of either of the firms, but the firm presently doing the C.N.R. audit has had the appointment for only one year. The technique of auditing the C.N.R. books has been built up by the firm of George A. Touche and Company, which is now Touche, Ross and Company, over a great many years, and we believe they are perfectly competent. Without in any way questioning the competence of the other auditors, perhaps this firm, under these circumstances, is the best firm to perform the audit.

Mr. Langlois: A supplementary question. Was the auditing of the C.N.R. done well last year?

Mr. Benson: It is not finished yet.

Mr. Langlois: How can you change them if it is not finished?

Mr. Benson: The audit for 1963 is not finished. McDonald, Currie and Company were the auditors for 1963 and the audit is not finished. It will be coming forward to the house in due course. We are appointing auditors for 1964, if the hon. member looks at the bill.

Mr. Langlois: I agree you are naming them for 1964, but you said a minute ago the others had done a good job. Would it not be better to wait for the report, and if the auditor has done a good job to keep him?

Mr. Benson: The auditors have to be appointed in advance. It is a continuing audit which starts on January 1. The auditors should be appointed before the beginning of the year. The audit of the C.N.R. is a tremendously large task.

[*Translation*]

Mr. Chapdelaine: Mr. Chairman, I should like to ask the parliamentary secretary to the Minister of Finance whether he expects the deficit of the C.N.R. to be smaller following the change of auditors.

[*Text*]

I should like to ask whether the deficit of the C.N.R. will be reduced because they are auditors?

Mr. Benson: Being a professional auditor prior to my coming to parliament, I wish I could say that auditors did decrease a deficit merely by being auditors.

[*Translation*]

Mr. Lessard (Lake St. John): I should like to put a question to the parliamentary secretary to the Minister of Finance. Could he inform the house whether this new attitude of the government means that the auditors will be changed every year so that every reputable accounting firm may have its turn? That seems to be the government's new policy.

[*Text*]

Mr. Benson: The auditing of the C.N.R. is an annual appointment.

Mr. Caouette: I should like to ask the parliamentary secretary this question. According to what he has just said, this firm has been hired, or their services have been retained, by the government of Canada for many years prior to 1957. They were changed in 1957 and the de Lalanne firm was appointed when the Conservative government took over. Now the Liberals are back in power and they are returning to the same company. Do you not think, Mr. Chairman, that this is purely and simply political patronage on the part of the government?

Mr. Benson: I would say not. There are really very few firms in Canada of a size which would enable them to carry out the audit of the C.N.R. Speaking offhand I would say there are about four firms. Clarkson, Gordon and Company is one of these firms. They were the auditors of the C.N.R. in the thirties. Touche, Ross and Company are another firm capable of carrying out an audit which is on a nation-wide basis. McDonald Currie and Company are carrying out the audit at the present time for 1963. They are a large firm. There are really very few other firms which could handle an audit of this size.

[*Translation*]

Mr. Gregoire: Mr. Chairman, I see that the hon. member for Levis (Mr. Guay) would like to have the floor. Since he has not had a single opportunity to speak since the beginning of the session, I should like you to recognize him.

[*Text*]

Mr. Knowles: Mr. Chairman, the parliamentary secretary has given us the history of the appointment of these various firms of auditors across the years. There is one stage in that history which seems to have escaped me. I understand how Clarkson, Gordon were appointed. I understand how George A. Touche were appointed. I understand how Mr. de Lalanne was appointed. But how did McDonald, Currie get appointed for 1963?

Mr. Benson: Mr. de Lalanne, as I understand the situation, was a partner in the firm of McDonald, Currie and Company; I assume I am correct in this. As I understand the situation, Mr. de Lalanne in 1963, at a time when this government was not in power, felt that the job was too onerous for him to carry on under his person and it was turned over to the firm of McDonald, Currie and Company.

Mr. Knowles: Perhaps I will satisfy my hon. friend for St. Boniface with a point of order yet. I understand the auditors of the Canadian National Railways have to be appointed annually by parliament. Since when did Mr. de Lalanne take the place of parliament and appoint McDonald, Currie and Company?

Mr. Benson: He did not take the place of parliament. As I explained earlier, legally perhaps the auditors for 1963 for the C.N.R. are not yet appointed because they are included in the C.N.R. financing bill which has not got through the House of Commons.

Mr. Pickersgill: It has been given first reading.

Mr. Benson: This will officially sanction the position taken at the beginning of the year, when McDonald, Currie and Company took on the audit for 1963.

Mr. Knowles: McDonald, Currie and Company have been doing the audit for the months thus far of 1963 without authorization. Is that correct? If parliament did not pass the bill or if it amended it to cut that firm out, we would then have a nullity as far as the audit for 1963 is concerned. Is that the situation? Then someone did exercise the prerogative of parliament at the beginning of 1963.

The Chairman: Shall clause 1 carry?

Some hon. Members: Carried.

Clause agreed to.

The Chairman: Shall the title carry?

Mr. Leboe: I just want to ask a question. Is it not possible to have these auditors submit bids? The parliamentary secretary says that there are four capable auditors in Canada. Is it not possible to submit a bid on this matter? In this way we could get away from this type of thing.

Mr. Benson: Mr. Chairman, I would hate to see us come to the position in Canada where we employed professional people such as lawyers or accountants on a bid basis.

Mr. Fisher: Is the hon. member making some kind of distinction between a professional person such as an accountant or a lawyer and, say, a contracting firm or group of businessmen?

Some hon. Members: Carried.

Mr. Fisher: I would like an answer. Is that what he is suggesting?

Mr. Benson: I can answer this very quickly. The rules of etiquette of professional associations do not permit them to tender on audits. This is quite proper and is in the code of ethics of this particular profession.

Mr. Leboe: I am sure the large private companies do.

Mr. Benson: I can assure the hon. member, having been a chartered accountant and a member of the profession, that in the profession it is forbidden to tender on audits of firms.

Mr. Nowlan: And you would be disqualified if you did.

Mr. Benson: Certainly you would be disqualified if knowledge of such action came into the possession of the professional institute of which you were a member.

An hon. Member: How does this relate to civil rights?

Title agreed to.

Bill reported.

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

Mr. Knowles: Next sitting of the house.

CURRENCY, MINT AND EXCHANGE FUND ACT

AUTHORIZATION TO PURCHASE SECURITIES OF INTERNATIONAL MONETARY FUND

Hon. J. W. Pickersgill (for the Minister of Finance) moved the second reading of Bill No. C-106, an act to amend the Currency, Mint and Exchange Fund Act.

Mr. E. J. Benson (Parliamentary Secretary to Minister of Finance): When the resolution relating to this amendment was considered by the house last Friday, November 15, I made an explanatory statement of some

length. The house will not wish me, at this stage, to repeat all the explanations I gave. Suffice it to say, today, that this amendment is being introduced in order to empower the government to implement a commitment made neary two years ago. In brief, this commitment was to join with nine other leading countries in an undertaking to make advances under specified conditions to the international monetary fund, in time of need, to supplement the existing resources of the fund.

All the relevant details of this arrangement, which is known as the general arrangement to borrow of the international monetary fund, were explained at the resolution stage.

It seemed to me, however, from the discussion that took place last Friday, that I could usefully add some broad observations. Indeed, before the debate concluded, the Minister of Finance (Mr. Gordon) undertook that this would be done. At that time, several hon. members showed considerable interest in some studies which are now being carried forward under the auspices of the same ten countries as are making financial commitments under the general arrangements to borrow. I think it would help to clarify matters if I began by saying a few words about these studies.

These new studies were launched by a meeting of the finance ministers of the ten countries early in October at the time of the annual meeting of the international monetary fund in Washington. They had in mind the fact that the agreement under which the international monetary fund was established is now very nearly 20 years old. Hon. members will recall that the Bretton Woods conference was held in 1944. It seemed to them that the time had come for a new, extensive and forward-looking review of the functioning of the international monetary system. In the communique which was issued on October 2, they said:

> This examination should be made with particular emphasis on the possible nature of the future needs for reserves and for supplementary credit facilities which may arise. ...The studies should also appraise and evaluate various possibilities for covering such needs. ...The ministers...have now instructed their deputies to examine these questions, and to report...over the course of the coming year.

In recent years, as hon. members are aware, there have been many proposals for improvement in the international monetary system. These have been put forward by governments, by bankers, by economists, and by others. It will be the task of our representatives who are carrying forward these studies to appraise, evaluate, and report on them. It is my hope that the ministers may receive a report by next summer so that whatever action might seem appropriate could be taken at the next annual meeting of the international monetary fund. This meeting is fixed for next September.

In reply to a question raised last Friday by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron) as reported in *Hansard* at page 4791, I am happy to give assurance that the Canadian representatives who are participating in these international studies will not be open to any charge that they are dragging their feet. The Canadian government is most anxious that these studies should be pursued vigorously, and that they should lead to constructive results.

The hon. member for Red Deer (Mr. Thompson) wondered why Switzerland was not in the group of ten. The answer is that Switzerland is not, as all the other ten are, a member of the international monetary fund. Special legal complications are involved in Swiss association with the fund's general arrangement to borrow. However, legislation is now before the Swiss parliament which, if passed, would permit Swiss association with this operation.

No less than three members referred in their remarks last Friday to an article that had appeared in various newspapers during the previous 24 hours. This article stated that the representatives of the ten countries participating in studies of the international monetary system are—and I quote—"actively considering a plan for creation of some form of international currency unit". The article went on to describe a particular plan which is usually associated with the name of a Washington economist, Edward Bernstein. In doing so, the writer seemed to imply that this plan had some pride of place in the consideration of the group of ten. I am informed that, as one would expect, the work of the study group is still at a preliminary stage. All the main proposals for improving the international monetary system will no doubt come under review, including that of Mr. Bernstein. But, at this early stage, no special attention has been given to any particular proposal.

I am, therefore, in a position to reassure the hon. member for Lapointe (Mr. Gregoire) that he is, to say the least, premature in jumping to the conclusion that the next step will be the establishment of an international currency, to use the words attributed to him in *Hansard* at page 4792, along the lines proposed by Mr. Bernstein.

At this point, and at other points in his remarks that day, he did not distinguish between, on the one hand, the current studies I have been describing, which look towards various possibilities in the future of international monetary arrangements and, on the other hand, the action which the house is

now being invited to take in order to implement a two-year-old commitment.

The hon. member for Lapointe made some other statements which I should not allow to pass without comment. I am sure the house would not wish me to take up its time in examining the preposterous, indeed ludicrous, suggestion that the ten major countries of the free world, including Canada, are controlled by the four international banking houses which the hon. member mentions. I would, however, like to assure him, and other hon. members, that the suggestion that two large Canadian banks which recently merged were or are controlled by one of the London clearing banks is not in accord with the facts.

In speaking on the resolution to amend this act, the hon. member for Lapointe is reported in *Hansard* at page 4792 to have said that at the time of the amalgamation of the Imperial Bank of Canada and the Canadian Bank of Commerce, which took place in 1961, the Canada Gazette showed that the two amalgamating banks were controlled by Barclay's bank of London. This, of course, is far from the fact. I could find no reference in the Canada Gazette to the ownership of shares by Barclay's bank, London. The first annual report of shares and shareholders of the Canadian Imperial Bank of Commerce, after the amalgamation made on October 31, 1961, tabled in parliament, reported the total number of shares held by the Barclay's group of banks and companies, including those held as nominees for others, to be less than 4½ per cent of the total outstanding shares of the bank at that time.

It might be of interest to add that the Barclay's group at no time held controlling share interest in either of the amalgamating banks. As a matter of interest, I have obtained figures showing foreign ownership in all Canadian banks. I should like to point out to the hon. member for Lapointe (Mr. Gregoire) that in only one case, the case of the Mercantile bank, are there more shares held outside of Canada than within Canada. Ninety-nine per cent of the shares of that particular bank are owned by foreigners, I could quote briefly the figures for the other banks: Bank of Montreal, 23 per cent foreign owned, Toronto-Dominion bank, 13 per cent; Provincial bank, 1 per cent; Commerce Imperial, 27 per cent; Royal, 27 per cent and Banque Nationale, 3 per cent.

On the basis of the totals less than 15 per cent in number of the shareholders of Canadian banks were non-residents, and on average less than 23 per cent of the shares of Canadian banks are owned outside of Canada. However, I do not want to lead the house further down these bypaths. Suffice it to say that they have no relationship to the legislation before us, as I attempted to explain adequately and fully on November 15 last.

Hon. George C. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, I am sure the house appreciates the statement, in part repetition although very valuable, by the parliamentary secretary to the Minister of Finance (Mr. Benson) giving the background of this matter which we now have before us. As he has said, this matter emanated over two years ago and was the subject of negotiation between my predecessor as minister of finance, then the hon. member for Eglinton, the Hon. Donald Fleming. This measure finally brings to fruition an agreement which was entered into between the government of Canada and the various other governments in the international monetary fund.

I did not follow the parliamentary secretary in all the arguments which he used a moment ago, but I think that in general I would agree with what he said in respect of the control of banking and the banking institutions of this country. I do not believe the forebodings of some hon. members in this house are justified by the facts, which are a matter of record and which the parliamentary secretary has just brought forward.

It is, of course, a matter of common knowledge that this world is getting smaller and smaller financially and economically. A few years ago the international monetary fund was something which seemed to be a long way from us, but is now very close to each and every country in the world. We, as one of the western nations, are duty-bound to assist the international monetary fund in carrying out its obligations and its duties. We have, in turn, as all hon. members know, benefited from the co-operation of the international monetary fund within the last two years. It may be, although I hope the necessity will not arise, that we may again benefit from it.

I believe, Mr. Speaker, this is a measure which warrants the support of all parties in the house. I shall not take the time to go into the matter further, as one could at great length if he wanted to make a political or economic speech. I simply say that, so far as we in the opposition are concerned, we give this measure full support because it is one which we originated. As I said last night, all of these matters which are coming before parliament now are ones which we originated when we were sitting to the right of Mr. Speaker. Without these measures, the country would not be enjoying the economic prosperity it is enjoying today and, as I have said, the government has been subscribing to the policies which we inaugurated. If they follow those policies in the next few months

which they will be sitting on the right-hand side of the Speaker, they will ensure this basic prosperity which the country has today.

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have no doubt that the parliamentary secretary to the Minister of Finance (Mr. Benson) is relieved to be able to float into the more rarified atmosphere of the international monetary fund where no doubt auditors are appointed by a celestial agency, free of the taint of the ambiguities of party politics. I suppose one might say that the parliamentary secretary is technically correct when he states that this bill which is now before us has nothing to do with the international fund and some of the discussions which took place with regard to the question of international liquidity earlier this session.

However, I believe he will agree with me it is within that area of our international operations that this bill falls. For some time the international monetary fund had required a very conservative reputation, but fortunately that reputation seems to be ameliorating a little now. Shortly before his retirement, the late director general, Mr. Jacobsson, had some very interesting things to say. In his annual report before the last annual meeting there can be found Mr. Jacobsson's statement, or some of it, which reads:

> International liquidity should be sufficient to allow these countries, the industrialized ones, to take the expansionary step needed for the benefit of their own economies, as well as to assure continued expansion of the world economy. World reserves rose by only 9 per cent in four years ending 1962, while world trade rose by 31 per cent in the same period—obviously too heavy a load for even that increase in world reserves to carry.

Undoubtedly, it is the hope of the Paris club countries, who are now taking the action we are taking here today, that this expansion of the international monetary fund will act as a stop-gap until later permanent steps may be taken.

I had occasion earlier this year at an international conference to deal with this matter of the necessity of research being undertaken into this problem of international liquidity. I pointed out at that time that while we have learned how to free ourselves from the chain of gold that strangled national economy and enabled us to emerge into an era of managed currencies, we have not been able to do that on the international scene. As a consequence, we have been placing an intolerable burden on the shoulders of our neighbour to the south, the United States of America, who gave us warning earlier this year that this burden was now becoming too heavy for them to carry. Consequently, they introduced into the United States Congress the interest equalization measure which I believe is now about to be passed by that body.

Obviously, the United States must have some relief from the situation in which it finds itself today, otherwise the pressures to which it is now being subjected to increase the price of gold may become too heavy to be resisted. I think most people today would agree that any step towards increasing the price of gold would have a most dislocating effect throughout the world.

I was very pleased to hear the parliamentary secretary say that the Canadian government's representatives at the present meetings will certainly not be dragging their feet but, if anything, will be urging our partners in the international monetary fund to go forward with the task of developing and evolving some modern method of international exchange that will be able to carry the ever increasing load created by the vast expansion of production throughout the world today, and this is equally important, enabling the industrialized countries of the world to take really effective steps in the direction of development of underdeveloped areas, and to reduce the gap which is growing wider and wider between the have and have-not nations.

I note that when this matter came up previously on November 7 some fears were expressed that this was a dark, deeply laid plot which was going to deliver us into the hands of the international money lenders and money changers. I suppose perhaps these fears arise from the feeling that the developments, which may take place after the meetings of the Paris club and the international monetary fund committee, may contain the seed from which may grow the plan of future world administration. For my part I would welcome that hope in the world today. I recollect that over 20 years ago John Maynard Keynes possibly wrecked the scheme he put forward at the time by an obiter dictum viewing it as a possible first step to world administration. Perhaps, in the light of the tremendous developments that have taken place in the last quarter century, we are today sophisticated enough to accept that prospect, not with dismay but with hope for the future.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, our criticism of the bill relates only to subclause (1) of clause 1, which permits Canada to make purchases of securities of the international monetary fund. The second part of clause 1, in our estimation, deals simply with a technical matter and no question is involved with it.

The parliamentary secretary has just stated that Switzerland it not one of these ten nations, simply because she is not a member of the

international monetary fund. That is a clear enough answer to the question I raised, but the question remains in my mind, why is she not?

Mr. Benson: The reason she is not a member of the international monetary fund and was not able to take part in this particular arrangement, which is really an extension exchange stabilization fund on an international basis, is because of particular legislative difficulties within Switzerland, which are being corrected so that she may take part.

Mr. Thompson: I appreciate that further explanation because I did not quite understand his first statement.

I was struck by the further statement made by the parliamentary secretary that there is no intention here of attempting to set up an international currency. I agree there is no indication of that in the bill, because it states quite clearly that it is introduced—

> —in order that Canada may participate in arrangements agreed upon by members of the international monetary fund to enable the fund in certain circumstances to supplement its resources by borrowings from member countries.

It is significant to me that just a couple of days before the announcement was made in the house regarding this legislation, a very detailed news report appeared in the Ottawa *Journal* of November 14, actually an article originating with the New York *Times* news service, saying the same ten countries are making plans to set up a global currency system. To quote part of the article:

> The United States and nine other leading industrial nations are actively considering a plan for creation of some form of international currency unit that would gradually lessen the burden on the dollar as the keystone of the international monetary system.

These countries are then listed, and they are the same countries involved in this particular agreement, which we are facilitating Canada to take part in, through the provisions of Bill No. C-106. The article goes on to say:

> The plan is one of several related ideas now under close study, all of which have the same basic objective: to maintain world prosperity by allowing the currencies of the well-off nations of western Europe to play a greater role in the international monetary system.

There may be no direct relationship between this legislation and the article I have quoted, but it is rather significant that the same 10 countries are planning something which the parliamentary secretary has been careful to state is not intended in this bill. I think we should make very careful note of that.

Returning to the background of the whole question involved in this legislation. I would like to make a few remarks which I think are of basic importance to us as we view the international field relating to exchange and problems of international settlement.

Eighteen years ago the matter of setting up the international monetary fund under the Bretton Woods Agreement Act was introduced in this house. It was vigorously opposed, not only by Social Credit members but by others as well, who realized the full implications of the new international gold standard then being set up. Many at that time rightly felt this was an attempt by the victorious United States to impose terms of unconditional economic surrender, not on the defeated enemies, Germany, Italy and Japan, but on her fellow allies in world war II, particularly Great Britain and the commonwealth.

Certainly the announcement in this house when that debate was in progress, that Great Britain had agreed to the Bretton Woods treaty upon being given a substantial gold loan by the United States, made passage of the Bretton Woods legislation a great deal easier in this house, even though the leading British negotiator, Lord Keynes, saw clearly the faults of the new arrangement and, until his death, preferred a much more realistic British scheme tied less closely to gold.

Events have, I believe, proved both the Social Crediters and Lord Keynes to be right. The international monetary fund system has not kept the world free of foreign exchange crises during the last 18 years. Britain has had them. Europe has had them. Canada has had them. Right now the United States faces a very serious exchange crisis. In fact, the threatening United States crisis is the most serious of them all because, if the United States cannot maintain the convertibility of its dollar into gold—and there is every reason to suppose the United States is not going to be able to do this in the long run, at least at present gold prices—the whole world of international commerce is threatened. At a single stroke of the pen the world's leading reserve currency, the currency in which the major part of Canada's foreign exchange reserves are also held, will no longer be suitable for that purpose, and it is this problem which caused the late President Kennedy to state only a few months before his death that one of the basic needs of the world today was a monetary reform program as it related to the mechanics of international trade and settlements.

The legislation we are now considering may appear innocent enough on the surface, but I am questioning it because I believe it reflects a major policy decision, and it is not just as simple a thing as it appears in this brief form. Are we going to continue to support the international monetary fund system

of international exchange, accompanied as it has been in the past with crisis after crisis; faced with crisis at the present time, and only to be saved—as systems based on the gold standard have always had to be saved—by supplementary schemes of aid to keep it in being?

When the gold standard was first adopted in Great Britain in 1844 only two years elapsed before a domestic crisis forced it to be suspended. Similarly, when this international monetary fund, gold based, international exchange machinery was set up in 1945, only the concurrent loan and Marshall aid arrangements on the part of the United States, and new arrangements of currency accounting in Europe that have now developed into the common market, made this system workable at all. Unless we have some more patching up on the same basis, it will not long continue, and in my estimation this is not good enough. Is it going to be Canada's policy in the future to continue to provide crutches on which this obsolete exchange system can continue to hobble along, rather than devise something better?

I say this, Mr. Speaker, because it is perfectly clear that a better international exchange system that does not depend upon gold can and should be devised in this modern world. That is why the gold standard today internationally, in 1963, and as we approach 1964 is in exactly the same difficulties that the gold standard was internally in 1935. It is perfectly plain also that our present system of the international monetary fund is a positive barrier to Canada's trade with nations which are her best potential markets. This is because the exchange rates set by the international monetary fund are based, not on the real worth of human labour or comparative living and production costs in different countries, but on the ability to buy and sell a single inert and commercially valueless substance which we call gold; or, even worse, credit based on gold which is no more than a confidence trick that can collapse—that is collapsing—any time its bluff is called.

May I take one simple example, Mr. Speaker. The present exchange rate between Canada and Japan makes Japan's labour costs, in terms of Canadian currency, far below comparable Canadian wage levels. What is the result? Japan urgently needs raw materials that Canada wants to sell her, but because of the difference in price levels caused by this exchange rate, if we want to export coal to Japan we have to pay a subvention to bring the price down on Crowsnest pass coal within reach of Japanese ability to pay. Similarly, Canada urgently needs to import more from Japan to replace her present excessive importation of manufactured goods from the United States. Yet we keep these goods out by tariffs and quotas. Why? Because, once again, the exchange rate so undervalues Japanese labour in terms of Canadian dollars that the prices of these imports are unrealistically low by Canadian standards and constitute unfair competition. This is where the international monetary fund has brought us, and if this is the case with Japan, how much more so is it in countries with an even smaller degree of technical advance which urgently wish to trade with us in Canada and should be trading with us strategically and for other reasons as well.

I think we have the right to ask ourselves: What does the international monetary fund have for us? Let us not forget that it is hindering, as well as helping, international trade and aid to underdeveloped countries. Let us not forget the circumstances under which it was set up, that two of the most senior United States officials employed in the setting up of this fund, Dexter White and Frank Coe, were later found to have very definite communist connections. Let us remember that the U.S.S.R., instrumental in the negotiations for the fund, ultimately refused to join it. Let us take a look around the world at the Soviet trade offensive at the present time; our own tungsten mine at Flat River, for instance, put out of business through cheap communist competition, and similar unemployment caused in Turkey as the Soviets press for world monopoly in the production of chrome. And let us reflect a little on how far this Soviet trade success has been caused by the foreign exchange difficulties of western countries, difficulties that the Soviet union deliberately does not share. The Minister of Trade and Commerce (Mr. Sharp) apparently thinks he has struck a gold mine in increased trade with the communist nations. I only say to him: Be cautious. All that glitters, even if it is gold, is not necessarily the wisest and best trading policy for this country.

My personal view is that the best policy for Canada is a gradual disengagement from our connection with the international monetary fund. This will not be achieved by paying good Canadian money for the paper the I.M.F. chooses to print in return. I believe that one way of doing this is the policy presently being advocated by Belgium in the councils of the common market countries of Europe, as reported in the New York *Herald-Tribune* of September 29, 1963. This is, simply, that the developed nations should charge tariffs on imports from low wage countries and use the proceeds to lower the cost of their exports to these same countries.

The effect of such a policy is to bring exchange rates in line with labour costs between ourselves and the underdeveloped countries in the world, and so open vast trading areas in markets which present exchange policies keep closed.

Such a policy could be the beginning of a world wide revaluation of exchange rates to give a better deal to underdeveloped nations and so make them markets for our exports. This is where the tremendous trade potential of world export markets lies. We would be able to scrap the gold standard in international trade, to our great benefit, just as for 30 years now we have done very well without it in our local economy within this country. Foreign exchange policy in the present world has been made a matter of great mystery. This need not be so. Essentially it is no more than a proper accounting of the international exchange of goods, and the only basis for any solid trade pattern is the exchange of goods for goods. The greatest trading nation of the world of its day was the republic of Venice. It operated a bank for more than six centuries. That bank had no gold reserves, no exchange crises; nothing, in fact, except figures in a book which represented credits which could be transferred between depositors. Frankly, Mr. Speaker, I believe we have devised nothing more practical, simple or intelligent than this system first introduced in the thirteenth century. If this nation will give the world a lead in getting back to first principles—I am speaking now of Canada—in the matter of foreign exchange, we could make Montreal the financial capital of world trade, and Canada the Venice of the twentieth century.

In summation, if we are to continue to operate under a basis as established through the Bretton Woods agreement and the international monetary fund, then some changes such as this legislation proposes are obviously necessary. This measure at this time is therefore obviously necessary. However, let me emphasize again that it is only a patch to a crutch that is already weak and rapidly deteriorating to an even greater crisis which faces us in this economic world which is narrowing down so closely to our own doorstep. On this basis, Mr. Speaker, we are not opposing this piece of legislation, because obviously we cannot continue without something being done.

Again I say I should like to see Canada not just follow along with others but take the lead in working out a basis of international exchange and settlements that will get at the very root of this problem, and deal with it in such a way as to assist the trade and development that this country needs so desperately and which the world needs as well, because today we face the paradox of plenty on the one hand and privation and poverty on the other while at the same time we are not able to solve the basic problem of how to distribute surpluses where the needs are the greatest. That is why I could not help taking this opportunity to outline a few of these points, because we should be thinking from a positive standpoint rather than the tagalong approach which in my opinion this legislation represents as we try to patch up something that has already proved itself basically unworkable in the long run.

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, on November 15 last, when this resolution was introduced in the house, I stated my views on this matter. Since that time, the parliamentary secretary to the Minister of Finance (Mr. Benson) saw fit to give us certain figures concerning foreign control over our banks. Actually, on November 15, I spoke about foreign control over our banks and tonight, the parliamentary secretary considered it was advisable to raise the question and, if I understood correctly, mentioned the three larger banks and quoted certain figures—if I am wrong, the parliamentary secretary might set me right—that is the following percentages: Bank of Montreal, 33 per cent of foreign control, Royal bank, 27 per cent and Imperial Bank of Commerce, 25 per cent.

Well, Mr. Speaker, the parliamentary secretary to the Minister of Finance who admitted a while ago he was an accountant, must know that a corporation or financial interests controlling more than 20 per cent of the shares of a company can just take over and control the operations of that company because among the other shareholders, there are those who are not too concerned about making their views known, do not go to the meetings or do not even send their proxy to other shareholders. Within a company like that, the majority group is the one which is best organized. In fact, the group which owns 20 per cent or more of the shares is usually the best organized and controls the whole operation.

That is why I say that, as far as the percentage of shares is concerned, foreign interests can easily control the business and change its policy.

All that to say, as the parliamentary secretary said a while ago, that on November 15 last we expressed our fear that we would be faced with another problem after going through the first stage of this plan which, I feel, is well thought out and which, as it is stated in the bill, provides for the recognition of a fund which has already been established and which would enable member

countries to supplement their resources when they have exchange difficulties.

The difficulty, as we see it, is that after having taken the first step a second one must be taken.

I agree with the parliamentary secretary to the Minister of Finance who told us a moment ago that it was premature to speak already of a *fait accompli*. I will not go as far as to suggest that the second step is a *fait accompli*. These ten countries have not yet adopted a common international monetary unit. However, if it is premature and if it is not a *fait accompli*, we should not forget that before being ripe, a fruit is premature. There cannot be any maturity without prematurity. There is an antecedent to everything. Besides, that is the term used by the parliamentary secretary. We express our fear by the word "premature", meaning not only that the fruit is not ripe yet, but that the matter is not completely settled yet and is still under consideration.

I am convinced that the ministers of finance of those ten countries mentioned as being the ten countries most interested in the bill now before us, would not be meeting in Europe or elsewhere in order to consider the advisability of establishing an international currency if they did not already intend to apply such a system sooner or later, and it might be sooner than we think.

We are not opposed to the idea of having an international currency, especially in view of the fact that nowadays there is not one of the member countries of that club that can control its monetary credit any better than the others. But when those countries come to have faith in an international currency, that will enable a group of international financiers to control jointly and severally the monetary credits of each of those countries that they are controlling today individually.

In my opinion, it will be most difficult then, for each of the ten countries concerned, to escape from the control of that group of financiers, because each would have to separate itself from the remaining nine countries, which could take retaliatory measures and even prevent Canada from withdrawing from this international credit cartel.

That is where we protest. We are not so much against the first step, for setting up a fund that could be made available to the countries which are facing monetary difficulties on account of the exchange value of their currency not being high enough, that is commendable. On the other hand, we fear that this first step will be followed by others which we would deeply regret.

We fear also that in the case of the second step the government would proceed exactly as it is doing now. The parliamentary secretary to the Minister of Finance tells us that the measure now under consideration was passed two years ago, not "will be passed" but "was passed" two years ago by the ministers of finance of those ten countries. The nine other countries have already ratified that agreement a long time ago and have committed themselves through their finance ministers. As far as we are concerned, in Canada, that step was taken two years after the commitment made by our finance minister; and everything goes on as if it were an accomplished fact.

Now, at that time, they come and request parliament's approval. Why request that approval when everything is already in operation?

That is the way they proceed, Mr. Speaker, and that is the thing to which we object.

If the Minister of Finance (Mr. Gordon) wants to make some undertakings and have them approved by parliament, let him do it before signing those undertakings and before giving a guarantee to other countries. Otherwise, we have no voice in the matter and can only take note of the facts.

Mr. Speaker, if they proceed for the other stages contemplated by Paris club, as was done for this one, I suggest this will happen: the Canadian people will one day wake up under the yoke of an international finance trust which it will never be able to shake off and which will keep it in subservience as long as it does not get out of it through violent means, as happened in other countries.

Mr. Speaker, we condemn the method used in order to put this concept into practice, not the fact that ten countries help each other in the field of international monetary exchange; we denounce the way it was imposed upon the Canadian people.

We want the official report of the House of Commons debates to indicate that we object in advance to the establishment of an international monetary unit such as that contemplated by the ten countries which make the same undertaking we are taking today. We wish the Minister of Finance, who is supposed to discuss with the finance ministers of the other countries the creation of that international monetary unit, to know in advance he will find in this house strong opposition to that international monetary fund.

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, the bill under consideration seems to aim at setting up a monetary confederation whereas, to set up such a system between various currencies, these must be treated on the same basis.

In fact, are the currencies of those ten countries treated on the same basis?

The international bodies set up at the Bretton Woods conference in July 1944, the international monetary fund, as well as the reconstruction and development bank, put the American dollar in a privileged position. They even established the superiority of the American dollar.

Lately, one of the most famous economists of our times, Mr. François Perroux, came to Montreal where he stated that there was no intrinsical reason for granting superiority or priority to the American dollar.

Now, it is asked: what are, for example, those securities of the international monetary fund that Canada wants to purchase; what are the backing and the nature of those securities?

On the other hand, we should keep in mind that it is always the Canadian dollar which must be used to buy Canadian services and products. It is not an international currency which will enable us to buy services and products made by Canadians.

At the present time, gold is still used as a standard for the international currency, but we can read in the Canada Year Book for 1962, on page 1027:

> —Gold may be bought or sold internationally without any physical movements of the metal, such transactions being recognized by simply putting aside or "ear-making" the metal in the vaults of some central bank.

If really there is no physical movement of gold from one country to the other, what is the good of having a gold standard to regulate these international currencies?

The last thing I wish to point out is that the international monetary unit would give to foreigners a control power over the life of Canadians, and this constitutes a very serious danger at the present time.

Those are, Mr. Speaker, the few remarks I wanted to make so that our country does not embark wholeheartedly in that project which, in my opinion, constitutes a real danger for our monetary system.

[*Text*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I do not want to go very deeply into this field but I think Canada at least has an obligation to establish some independence from the United States in the manner in which we make our contributions throughout the world. It is quite true, as the parliamentary secretary said, that the international monetary fund set up after the signing of the Bretton Woods agreement indicated that a currency handled by the international monetary fund would be in terms of U.S. dollars, or gold. This raises the problem as far as Canada is concerned of the relationship between our monetized metals and those of the United States. I think this matter has not been given any consideration by this government or by the previous one, or by any Canadian government, for a long time.

It has been said in this debate that the countries supporting the international monetary fund, which have grown from the original 44 to well over 70 at the present time, have become more and more dependant in their international trade relationships on gold and the U.S. dollar. I think this is not always necessarily a good thing. We in Canada have backing for the currency of the United States both in gold to back our dollar in a treasury sense and also for silver bullion which would establish Canada in relation to the United States silver certificates. I think it is unfortunate that Canada has not gone to the international monetary fund meeting echoing, not the fears of some other countries in their relationship to the United States currency, but trying to strengthen not only our own position but also that of the United States at the present time.

We are all aware of the fact that the world is terrified of the large production of gold by countries in the communist bloc. I remember an article in *Reader's Digest* to the effect that it would be a catastrophe to world trade if Russia suddenly failed to put her money into the currency field through international trade under terms similar to those engaged in by countries like the United States and other members of the international fund, but instead gave away to satellite countries, and any other countries who wished it, the vast quantities of gold they have. Overnight there would be a collapse of the market.

I think something is to be said for those who recommend that Canada looks at this matter from her own position; not from the position of the United States or individual countries, some of which are in the sterling area, some on the gold standard, and some operating entirely on a trade-barter system, but from the point of view from which Canadians and Canada in general can gain the most. I suggest we should be opposed to the establishment by the international monetary fund of an international currency. I believe this is a necessity. I think history will bear out that two of the factors which will form a base for an international monetary system, and the currency which may be contemplated by the international monetary fund, will be gold and silver monetized reserves.

We are aware of the fact that Canada has not been on the gold standard for some time. I do not think anyone in this country will be able to tell us what kind of standard we are on. I am sure no one in banking circles would be able to tell you, and I do

not think they could even point to how closely we were tied to the United States system or to any other system, or to what the relationship of these systems is from day to day. Social Credit have had a field day because of the fact that no one in the country seems to know what is going on. The situation is completely confused.

An hon. Member: You don't know either.

Mr. Peters: I make no apologies; I am in exactly the same category. I do not know anything about it either, and do not profess to. But there is a relationship between the two monetized metals, gold and silver; and because of the Bretton Woods agreement both gold and the U.S. dollar are the backing of the currency of the international monetary fund. Silver used to be, as well, because the U.S. currency reintroduced in 1933 silver certificates backed by silver stocks.

I make no apology for my interest in this matter because I represent a major portion of the silver producing industry in Canada, and the producers of some of the other base metals. The people in these operations are interested in this question. If you look, Mr. Speaker, at the Baxter international research bureau report for September 27 of this year you will note that it refers to the fact that the U.S. government has increased the price of silver against their reserves from 91 cents to $1.29. They pointed out that since the beginning of May there has been an outflow of 69 million ounces of silver. Of this amount, 24 million ounces came from the cartwheels—I presume that is silver dollars—and 45 million ounces came from the monetized silver bullion account. Another report, made in October, points out that silver output falls far short of use but that treasury sales should fill the gap. Global use of silver this year is estimated at 380 million ounces, which is about 170 million ounces more than new production. Our government will draw on its own stocks for about 95 million ounces needed for coinage and defence work. Most of the remaining deficit, the report goes on, will be made up by sales of speculative holdings, a reduction of consumer inventories and demonetization of coins abroad.

This is an indication of what is happening, though many people in Canada and, even, a number of those in government, have failed to establish any relationship in this field. If this government wishes to make a contribution to the international monetary fund I believe it is time we should add the word "silver" wherever the word "gold" appears in the bill. It should be remembered that we produce this metal, and its production should not be related to requirements of another currency but rather to the productivity of our own nation and the value of the metal in establishing our Canadian dollar. There is a relationship between these things, and it is one which could be established more closely if we had a government which was prepared to make full use of our own natural resources. I strongly urge that Canada, along with many of the other nations of the world, should establish its own relationship with the currencies of the world and take steps to do this in the manner which would be most advantageous to Canada.

For a government which has said on a number of occasions that it wishes to cut loose some of the strings which binds us in an economic way with the United States, there would be no better way of achieving this end than by cutting some of these monetary strings in relation to our currency. We have been buying some of our currency from our neighbour to the south at a price which they themselves determine—a price which has no relation to the forces of supply and demand in this nation. I suggest that the parliamentary secretary should give some consideration to establishing Canadian independence in this field. The Minister of Finance has himself declared that this is his intention. He wrote a book called "The Economic Future of Canada" telling us that this is what we needed to do. We in the mining industry can certainly find no better place to start than with the monetized metals which we use as the basis of our internal economy.

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

On clause 1—*Sale of gold, currency, etc.*

[*Translation*]

Mr. Caouette: Mr. Chairman, I would like to say only a few words on section 1 of the bill which is before us. I wish to point out that Bill No. C-106 is a direct outcome of the agreements which were signed in 1947-1948 at Bretton Woods, while in this house we were warning the government against this attempt on the part of high finance to get hold of an international money control of some sort.

Now we are asked, under the provisions of this bill, to endorse the setting-up of a $200,000,000 fund, together with other countries on the pretence that we will assist countries which could need it.

We must remember that, last year, the government had to resort to the international monetary fund to secure an amount of over a billion dollars in order to discharge their obligations and their dues to the United States.

Mr. Chairman, on behalf of Social Credit and all the members of our group, I say that, in such circumstances, the government should not rely upon the international monetary fund but on a national monetary fund which should be set up by the Bank of Canada since our country has the required materials, products and services to back its currency.

Now, if we produce things which have a certain value, why should we not issue tokens which would be backed by those products? That would enable us to keep control of our money and credit.

If we can afford to assist foreign countries by giving them $200 million, half a billion or a billion dollars, let us go ahead and do it but let us use our own money and not capital which has been borrowed on foreign markets.

When we borrowed something like $1,500 million from the international monetary fund, we had to pay interest at a rate two and a half times higher than what we get when we lend Canadian funds or give a line of credit to the fund.

Consequently, we, in this corner of the house, cannot on behalf of Social Credit accept such an international control of our monetary system and I would ask you, Mr. Chairman, to record our opposition to all the sections of the bill since we have the right to express our disapproval.

[*Text*]

Mr. Marcoux: I should like to ask the parliamentary secretary a question. The hon. member for Villeneuve has just said he was sitting in this house in 1947-48 when the Bretton Woods agreement was approved by the Canadian parliament. I thought that this agreement was signed in July 1944. Would the secretary tell me if it was 1944 or 1947?

Mr. Benson: If I recall it, and I stand to be corrected, the Bretton Woods conference was in 1947. I will check and ascertain the correct information for the hon. member.

I am informed it was 1944.

[*Translation*]

Mr. Côté (Chicoutimi): According to the great economist Albert Despaux, the Bretton Woods agreement was signed in July 1944.

An hon. Member: There were two conferences.

Mr. Caouette: Mr. Chairman, two meetings were held in Bretton Woods, I clearly remember that. If my hon. friend for Chicoutimi refers to *Hansard* for 1946-47, he will find that the Bretton Woods agreement was introduced in the House of Commons at that time, and that the staunchest opponent of this agreement was the then hon. member for Lethbridge, Mr. John Blackmore, who firmly disagreed with it in 1947-48.

[*Text*]

Mr. Benson: I would be pleased to act as arbitrator here and ascertain the facts as to exactly when the meetings were held, and when the information was presented to parliament. Then, I shall supply it to the hon. members.

The Chairman: Shall clause 1 carry?

Mr. Peters: I should like to move an amendment to subsection 3 of clause 1, to add, after the word "gold", the word "silver" in line 15 and also in line 20 to add the word "silver" after the word "gold".

Mr. Pickersgill: I do not believe the amendment is acceptable. I should like Your Honour to put the question.

Mr. Gregoire: Perhaps I should present a subamendment. Since gold is very rare in all countries, as is silver, I should like to suggest that iron ore be substituted therefor. We would have plenty of it for our external trade, or perhaps we could suggest the use of wheat.

Amendment (Mr. Peters) negatived: Yeas, 1; nays, 71.

The Chairman: Shall clause 1 carry?

Mr. Caouette: On division.

Clause agreed to.

Bill reported.

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

Some hon. Members: By leave.

Mr. Pickersgill (for Mr. Gordon) moved third reading of the bill.

Mr. Deputy Speaker: Shall the motion carry?

Mr. Caouette: On division.

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

BUSINESS OF THE HOUSE

Mr. Pickersgill: The house seems to be in such a co-operative mood I was wondering if the hon. member for Winnipeg South Centre would like to complete his speech on the centennial bill.

An hon. Member: No.

Mr. Knowles: Should the Secretary of State not ask whether anyone else wants to hear it?

Mr. Pickersgill: Well, I do.

Mr. Knowles: I think he should make it at a more opportune time.

Mr. Churchill: I think so, too, because the subject is one of considerable importance and the hour is rather late.

May I ask the house leader what estimates we will be taking tomorrow and Thursday, and if there is any proposed change in the hours for tomorrow?

Mr. Pickersgill: I did suggest last evening, sir, taking the last question first, that tomorrow we might agree to sit until 7 p.m. I had hoped there might be some disposition to sit in the evening but there are very good reasons why many hon. members would prefer not to do that. It would be a great convenience to the government if we could sit until 7 p.m.

The estimates we would take tomorrow would be privy council, followed by post office. On Thursday, we would take the estimates of the Department of Agriculture, followed again by post office if there are any items of that department not disposed of tomorrow. I believe I would prefer to make my forecast for the rest of the week after I see what progress we make tomorrow and in the early part of Thursday. I should like to have some consultations with hon. gentlemen opposite.

Mr. Churchill: We are prepared to sit until 7 p.m. tomorrow night, or later. May I ask the house leader if on Thursday the Department of Agriculture estimates will be taken with or without the minister?

Mr. Pickersgill: I believe the minister will be here and I am quite sure that if the minister is here, he will have something to say.

Mr. Patterson: So far as this group is concerned, we would be prepared to sit until seven or later. We would sit until ten o'clock if it would be of any help.

Mr. Knowles: I think progress towards this goal might be achieved if we had a discussion about it in the morning. The Secretary of State indicated there were reasons hon. members would not sit until ten o'clock, and perhaps we could discuss whether to sit until then, or beyond six.

[*Translation*]

Mr. Gregoire: Mr. Speaker, we are agreeable to sit till seven o'clock tomorrow night, in compliance with the suggestion made.

[*Text*]

Mr. Deputy Speaker: Is it agreed that the house will sit until ten o'clock tomorrow evening?

Mr. Peters: No, Mr. Speaker. I have no objection to its being discussed further, but on that basis I would say no.

Mr. Pickersgill: We will accept the suggestion of the hon. member for Winnipeg North Centre and see if we can reach some understanding that could be agreed to at the opening tomorrow.

It being twelve minutes after ten o'clock the house adjourned, without question put.

HOUSE OF COMMONS

Wednesday, December 11, 1963

The house met at 2.30 p.m.

BUSINESS OF THE HOUSE

EXTENSION OF SITTING HOURS THIS DAY

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I wonder whether I might just say a word about the business of the house for today. I believe, from what I have learned through the usual channels, that it would be agreeable to the house to continue the sitting today until seven o'clock, on the strict understanding that we would adjourn at seven o'clock and would not go beyond that time. If that is the understanding, I hope it can be so ordered.

Mr. Speaker: The house has heard the suggestion of the Secretary of State. Is it so ordered?

Some hon. Members: Agreed.

MINES, FORESTS AND WATERS

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. O. J. Godin (Nickel Belt) moved that the second report of the standing committee on mines, forests and waters presented to the house on Monday, December 9, be concurred in.

Mr. Erik Nielsen (Yukon): Mr. Speaker, on Monday when the report was presented the Clerk did not read the report aloud. I do not believe any objection was raised at that time, but before the house votes on the matter I think we should know what we are voting on.

Mr. Speaker: I am advised that notice has already been given, and certainly the report will be found in *Votes and Proceedings* of Monday, December 9, which I have before me. If any hon. member wishes details I can give them very quickly. Is it the pleasure of the house to adopt the said motion?

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

POSITIONS REQUIRING SECURITY SCREENING

Question No. 1,161—**Mr. Orlikow:**

1. How many positions covered by the civil service, government commissions and boards, such as the Canadian Broadcasting Corporation, the national film board, Central Mortgage and Housing Corporation, national research council, Atomic Energy of Canada, etc., require security screening?
2. What are these positions, and in what departments?
3. What are the criteria used to decide whether any position in a given department or commission will require security screening?
4. What department or interdepartmental committee makes these decisions, and who are the members of such committee?

Mr. Pearson: 1 and 3. No total has been made of the number of positions in the public service in relation to which security screening is required. The determination as to whether the incumbent of a position requires to be screened for security is based quite simply on whether or not the duties of the position require him to have access to classified information. In certain departments and agencies, all or almost all positions require such access; in other departments or agencies, relatively few. The number of such positions may vary considerably from time to time.

2. It would be contrary to the public interest to identify specific positions within any department in relation to which security screening is required.

4. A decision as to whether or not the incumbent of a position requires to be screened for security is dictated by the nature of the work, and is the responsibility of each department or agency rather than that of any departmental or interdepartmental committee.

DEPARTMENTAL SECURITY OFFICERS

Question No. 1,162—**Mr. Orlikow:**

1. Who are the security officers in each department of the government?
2. How long has each been on this job?
3. What are the qualifications of each of the security officers?
4. What training does each departmental security officer get for this particular job, and by whom are they trained?
5. What are the instructions given to each departmental security officer for carrying out his work?
6. From whom do they get these regulations?
7. Who is responsible for drafting these regulations?
8. How many persons applying for jobs or promotions in each department have been refused such jobs or promotions because they failed to get a security clearance, and of what total number of cases?
9. What is the relationship between the departmental security officer and the civil service commission?
10. What is the relationship between the departmental security officer and the R.C.M.P.?
11. To whom do the departmental security officers report in each department?

Questions

12. Do the departmental security officers make final decisions on cases or do they only make recommendations and, if the latter, who makes the final decisions?

13. When they make adverse decisions, do the departmental security officers advise the civil service commission of the decision and the reasons for the decision?

Mr. Pearson: 1 and 2. It would be contrary to the public interest to identify the security officers in each department or agency of the government.

3. The qualifications of departmental or agency security officers vary with the security requirements of each department or agency. Security officers are required to be middle to senior rank officers of integrity and good judgment, with considerable experience in the field of personnel administration.

4. The nature and degree of training which a security officer receives varies in accordance with the nature and extent of the security problems with which his department or agency is faced. In departments with the greatest security responsibilities, training is achieved through lectures, seminars, demonstrations, films, and the study of extensive background material. In addition, conferences of all departmental and agency security officers are held from time to time to instruct these officers in matters relating to personnel and physical security, and to give them an opportunity to discuss mutual problems in this field.

5, 6 and 7. Basic policy and instructions relating to security are given to departments and agencies by the government in order to ensure that minimum standards are maintained. On the basis of these instructions each department and agency is responsible for preparing detailed security regulations intended to meet its own particular security requirements. In addition to these instructions, departments and agencies are provided from time to time with a number of memoranda of guidance and advice prepared by the security panel resulting from its studies of specific matters relating to security.

8. It has been the policy of successive governments of Canada, and it is the policy of the present government not to reveal statistics concerning the numbers of persons in whose cases departmental action has been taken on security grounds.

9 and 10. Departmental and agency security officers consult regularly with appropriate officers of the civil service commission and of the security and intelligence directorate of the R.C.M. Police on matters relating to security in which they have mutual interests and responsibilities.

11. In the majority of departments and agencies, the security officer reports directly to the deputy minister or head of agency. In all departments and agencies, however, the security officer is finally responsible to the deputy minister or head of agency.

12 and 13. In the straightforward granting of a security clearance, a final decision can be made by the security officer in accordance with security regulations. In cases in which there is some element of doubt the security officer would make appropriate recommendations to the deputy minister or head of agency. Should his recommendation result in a decision to dismiss, that decision would be taken by the minister responsible, or by such other person or body so authorized by statute. When such adverse recommendations or decisions are made, and they are relevant to the statutory functions of the civil service commission, the commission is, of course, advised.

NUCLEAR WEAPON STORAGE, VAL D'OR, QUE.

Question No. 1,390—**Mr. Caouette:**

1. What preparations are being made at Val d'Or, in the county of Villeneuve, for storage of nuclear weapons?

2. Did the government consult the local authorities at Val d'Or before undertaking these preparations?

3. How many additional workers will be employed as a result of these preparations?

[*Translation*]

Answer: 1. It is intended to build storage facilities for special weapons and to add to the air warning installations and to the sheds.

2. No. However, the mayor of Val d'Or has ensured the government of his city's full co-operation.

3. Since it is the contractor who will decide how many men will be employed, it is not yet known how many people will be employed.

[*Text*]

WAR MEMORIAL, NEPEAN POINT, OTTAWA

Question No. 1,635—**Mr. Matheson:**

1. What was envisaged in the Nepean point project, with whom did the plan originate, and what preparatory work thereon has been done to date?

2. Who presently opposes this project and for what reason?

Answer: 1. The primary purpose of the Nepean point project was the provision of a suitable repository for the books of remembrance commemorating those Canadians who gave their lives in the Nile expedition and the South African war, world war II and the Korean campaign. The need for such a repository became apparent in 1954, as the world war II book was nearing completion, and cabinet authorized the then minister of veterans affairs, Hon. Hugues Lapointe, to appoint an advisory committee to study this matter and make recommendations.

The committee worked on the premise that the world war II book should have a permanent resting place comparable in artistic development, dignity and general atmosphere to the memorial chamber in the peace tower, which is the permanent repository of the world war I book of remembrance.

After studying existing and proposed government buildings, the committee concluded that a suitable chamber could not be constructed in any of them and it recommended the erection of a shrine of remembrance for this purpose on Nepean point.

In 1956 the minister announced in the house that the recommendation of the committee had been accepted by the government, and that the minister of public works had been instructed to proceed with the design of an appropriate building. Consultants were appointed and produced a number of preliminary designs. The selected design, along with a model, was submitted to the advisory committee on design of the national capital commission who requested a revision to reduce the size of the building and the government directed that the total cost must be lower. The consultants later produced such a revision. Preliminary drawings and elevations and a revised model of the project have been prepared but have not been submitted to the national capital commission.

Subsequent governments confirmed the original decision to construct a shrine and in February, 1963 it was announced that a design had been approved in principle. In September the Prime Minister confirmed that this government had decided to proceed with the project. Some controversy, however, had been developing on the need or the desirability of proceeding with the planning and in October the Minister of Veterans Affairs announced that action would be deferred until a careful review and further study of the project had been completed. No working drawings or specifications of the shrine have been prepared and no work is proceeding at the present time.

In 1955 the Royal Canadian Legion recommended the construction of a cenotaph, not identified with any war, which would become the focal point for future national remembrance and similar services. This recommendation was also referred to the advisory committee which recommended, in due course, that such a cenotaph be erected on Nepean point also, after the razing of the old printing bureau building.

This recommendation, also, was accepted by the government but no design for such a cenotaph has been prepared to date.

2. In the main, a few newspapers.

The major criticisms of the project appear to be that there is no need for a memorial other than that now standing on confederation square, that should any new memorial be constructed it should be a living memorial such as a concert hall, auditorium, library or hospital, and that the design of the proposed memorial shrine was not suitable.

R.C.M.P. OFFICE, COMPTON-FRONTENAC CONSTITUENCY

Question No. 1,682—**Mr. Latulippe:**

1. Has the R.C.M.P. a permanent office in the constituency of Compton-Frontenac and, if so (a) where (b) who are the personnel, and (c) what are the main duties of that detachment?
2. If there is no permanent office, what R.C.M.P. detachment covers this constituency?

Mr. Chevrier: 1. Yes; (a) Megantic, P.Q.; (b) Cpl. Roy, G.M., Cst. Gauthier, J.C.A.R.; (c) the enforcement of certain federal statutes.

2. Answered by No. 1.

TOBACCO—FEDERAL REVENUE AND EXPENDITURE

Question No. 1,717—**Mr. Mather:**

1. What is the amount in dollars which the federal government derived in 1962 as a result of the sale of tobacco products?
2. What is the amount in dollars which the federal government spent in 1962 on public education respecting the link between excessive smoking and ill health?

Mr. Pickersgill: 1. The following amount represents customs and excise revenue derived from tobacco products during the fiscal year ending March 31st, 1963, except as noted below; $387,574,859.

Separate statistics identifying sales tax with tobacco products are not available and therefore the above figure does not include federal sales tax which applies on the basis of 11 per cent of the manufacturer's selling price with respect to domestic tobacco products sold for consumption in Canada, and on the duty paid value of such products when imported for consumption in Canada.

2. None in 1962. For the express purpose of reviewing the evidence linking cigarette smoking with lung cancer and certain other diseases and to consider action which might be taken to ensure a co-operative and effective program, the Minister of National Health and Welfare held a conference on smoking and health in Ottawa on November 25 and 26. As a result a technical committee on health education is being set up to assist in bringing the facts before the public and to dissuade young people in particular from acquiring the habit of cigarette smoking. The federal government is prepared to make $400,000 available to assist in the development of a health education program in this field.

Questions

EDUCATIONAL ASSISTANCE TO CHILDREN OF WAR DEAD

Question No. 1,729—**Mr. Matheson:**

1. How many children of war dead have received education assistance and, in what total amounts, in each year, since world war II?

2. How many of such children in each of these years, graduated with university degrees?

Answer: 1. The Children of War Dead (Education Assistance) Act became effective July 1, 1953, prior to this date there was no provision for assistance of this nature.

Year	No. in Training	Expenditures
1953-54	285	$106,783
1954-55	355	$154,855
1955-56	412	$182,487
1956-57	462	$207,428
1957-58	475	$216,023
1958-59	579	$288,764
1959-60	696	$377,566
1960-61	821	$464,260
1961-62	942	$560,343
1962-63	955	$648,315

The numbers record those in training each year. The total trainees approved for training under this act is 2,925 to March 31, 1963.

2.

Year	No. graduated with university degrees
1953-54	1
1954-55	14
1955-56	33
1956-57	27
1957-58	54
1958-59	46
1959-60	42
1960-61	40
1961-62	49
1962-63	61

In addition 142 students were discontinued as entitlement expired and most of these are believed to have continued to graduation at their own expense. There were also 477 students who completed non-university courses, including 264 nurses and 136 teachers.

*NATIONAL ANTHEM

Question No. 1,745—**Mr. Boutin:**

Does the Prime Minister intend to include the adoption of "O Canada" as the national anthem of Canada when a bill is presented for the adoption of a distinctive flag for Canada?

Mr. Pearson: Mr. Speaker, this question asks if the Prime Minister intends to include the adoption of "O Canada" as the national anthem of Canada when a bill is presented for the adoption of a distinctive flag for Canada. This government is committed, within two years of taking office, to take steps through parliament to make "O Canada" our official national anthem. It would be natural to expect, Mr. Speaker, that parliament should deal with this matter at the same time that it will be asked to deal with the question of a distinctive national flag, to which the government is also committed.

NEWS COVERAGE FOR ARMED FORCES ABROAD

Question No. 1,755—**Mr. Scott:**

Has the government received any representations to the effect that members of the various branches of the armed forces in Europe receive almost no Canadian news coverage of events taking place in Canada and, if so, does the government have any plans to remedy this situation and what is the nature of such plans?

Answer: No such representations have been received, in so far as national defence is concerned. At the present time, Canadian news is broadcast over Radio Canadian Army Europe five times daily, Monday through Friday, with additional broadcasts on Saturday and Sunday. The R.C.A.F. No. 1 air division operates radio stations at each of its five bases. News is broadcast four to five times daily with additional coverage on Sundays. In addition, the Canadian press provides a daily newscript, Monday through Saturday, which is transmitted over the armed forces telecommunication system each night and rebroadcast over local stations. Canadian newspapers are provided through non-public funds.

News transmissions from Canada by short wave are affected by electronic and atmospheric conditions and are limited by the capability of the transmitter and receiver system on both sides of the Atlantic. As a result, the transmission reception and rebroadcast of Canadian news has never been entirely satisfactory. This has been a matter of discussion between the Canadian Broadcasting Corporation, the Department of External Affairs and the Department of National Defence.

FRINGE BENEFITS TO EMPLOYEES

Question No. 1,771—**Mr. Latulippe:**

1. Has the federal government figures to indicate the cost of fringe benefits to employers, in cents per hour from 1947 to 1963 (a) in Canada (b) in each province?

2. What was the average net income of a Canadian worker during the years 1947 to 1963?

3. What taxes are levied on such income?

4. What was the revenue of the government in the last ten years from such taxes?

Mr. Pickersgill: 1. This information is not available.

2. So far as the taxation division of the Department of National Revenue is concerned, we do not have the necessary information to answer this question.

3 and 4. These questions could not be answered without knowing more about the

average Canadian worker referred to, such as his marital status, number of dependents, amount of donations, etc.

REROOFING OF WAREHOUSES, ORDNANCE DEPOT, LONDON, ONT.

Question No. 1,776—**Mr. Irvine:**

Have tenders been called for the reroofing of warehouses No. 2 and No. 3, 27 central ordnance depot, London, Ontario, and, if so (a) what tenders have been received and for what amounts (b) who was the successful tenderer?

Answer: Yes. The following tenders were received, conforming to the specifications set out by the Department of National Defence:

(a) Peerless Enterprises Division of Tectum Ltd., $159,179; Williamson Roofing & Sheet Metal Ltd., $161,200; Northern Roofing Co. Ltd., $164,022; Malach Roofing & Flooring Limited, $182,947; Seeback & Sons Ltd., $210,500.

(b) Peerless Enterprises Division of Tectum Ltd.

RECLASSIFICATION OF HOSPITAL NURSING ORDERLIES, D.V.A.

Question No. 1,777—**Mr. Irvine:**

1. Of the 1,737 nursing orderlies in D.V.A. hospitals who were reclassified following an increase in pay July 29, 1963, retroactive to January 1, 1963, how many (a) received a net increase in pay after reclassification, and (b) received a decrease in pay after reclassification?

2. Of the additional 212 nursing orderlies in D.V.A. hospitals whose salary, and/or reclassification status is pending, when will the department be ready to report as to the disposition of these cases?

Answer: 1. Of the 1,737 nursing orderlies in D.V.A. hospitals who were reclassified retroactive to January 1, 1963, (a) 1,622 received a net increase in pay after reclassification, and (b) none received a decrease in pay after reclassification.

2. Of the 212 reclassifications still pending, the department has submitted 44 recommendations to the civil service commission; in approximately 113 additional cases, recommendations will be submitted to the commission within the next three or four weeks; but in approximately 55 cases, it may be some months before employees are assigned to duties which warrant higher classification since some re-organization within nursing services is involved.

R.C.M.P. DETACHMENT, MCCREARY, MAN.

Question No. 1,783—**Mr. Enns:**

1. How large is the R.C.M.P. detachment at McCreary, Manitoba?

2. What are the police facilities at McCreary, and are they sufficient for efficient and effective police operations for the area?

3. Are there any plans to replace the present building with a more complete and modern police headquarters?

Mr. Chevrier: 1. The Royal Canadian Mounted Police detachment at McCreary, Manitoba, consists of two members of the force.

2. There is a police owned detachment building providing accommodation for a married man and office space for two members. In addition, there is a separate one car garage. This accommodation is considered sufficient for efficient and effective police operations for the area.

3. No, not at present.

*INTERPRETERS AND SOUND TECHNICIANS IN PARLIAMENTARY SERVICE

Question No. 1,784—**Mr. Côté (Chicoutimi):**

1. How many interpreters are assigned to the service of parliament?

2. Are they requested to perform certain duties outside of parliament and, if so, do these duties interfere with their official duties?

3. How many sound technicians are assigned to the service of parliament and has a survey been made in order to ascertain whether that number is sufficient?

[*Translation*]

Mr. Dupuis: 1. The 11 interpreters-translators are grouped under a central office which ensures the services of interpretation in the House of Commons, the Senate and committees of both houses.

2. These interpreters are sometimes called for duty at conferences organized by various federal departments. Their services are made available to the departments only when such outside work cannot in any way affect the interpretation service in both houses of parliament and in parliamentary committees.

3. Three sound technicians are presently assigned to the House of Commons (that is to the House of Commons itself and to committee rooms 308 and 311 in the west block). The contract provides, we understand, that those technicians are to look after the operation of the facilities in the house; however, they only have to repair the committee room equipment when there is a break. The authorities are presently considering the needs as far as those two committee rooms are concerned and the three others which will be radio-equipped at the beginning of next year.

[*Text*]

REVENUE OF TELEVISION NETWORKS

Question No. 1,786—**Mr. Latulippe:**

1. What revenue was earned by Canadian television networks during the last five years?

2. Is there a special tax levied on the advertising of American products in Canada over these networks?

Mr. Pickersgill: There are only two television networks in Canada. Therefore information requested is not available in

compliance with the secrecy clause of the Statistics Act which forbids divulging information which would reveal particulars relating to any individual or business.

2. No.

CAPE BRETON HIGHLANDS PARK—IMPROVEMENTS TO WATER SYSTEM

Question No. 1,802—**Mr. Muir (Cape Breton North and Victoria):**

With reference to the answer to question No. 1,651, will a contract be awarded to Maritime Builders Limited, of Sydney, Nova Scotia, who were the low bidders on the improvements to the water system in the Cheticamp area of the Cape Breton Highlands national park and, if so, when will such a contract be awarded?

Mr. Laing: No; the low bidder has been advised that funds are not now available in the amount of the tender and, accordingly, no contract will be let in the immediate future.

J. D. MCLEOD, NORTHERN AFFAIRS—QUALIFICATIONS

Question No. 1,812—**Mr. Herridge:**

With reference to J. D. McLeod, chief engineer, operations division, Department of Northern Affairs and National Resources (a) what are his professional qualifications (b) how long has he been employed with the water resources branch and what duties has he performed during this period of employment (c) what experience has Mr. McLeod had in the planning and operation of large electrical power systems?

Mr. Laing: (a) Mr. McLeod graduated in 1939 with the degree of B.A.Sc. in civil engineering from the University of British Columbia. He is a member of the association of professional engineers of the province of Ontario, a member of the engineering institute of Canada, and a member of the American geophysical union.

(b) Mr. McLeod has 21 years of service with the water resources branch and its predecessors. The branch formerly was known as the water resources division and prior to that as the dominion water and power bureau. During this service his duties have included:

(i) Junior hydraulic engineer on field and office surveys in connection with the bureau streamflow and water level program in British Columbia and the Yukon Territory.

(ii) Office engineer responsible for computation and compilation of all streamflow and water level data for the program referred to in (i) above.

(iii) Supervising engineer responsible for the entire program referred to in (i) above.

(iv) Hydraulic engineer on office assignments in connection with the Columbia river investigation.

(v) Hydraulic engineer on hydrological reconnaissance of streams in the Fraser river basin.

[Mr. Pickersgill.]

(vi) Senior hydraulic engineer and chief of the international waterways section of the water resources division; responsible for division studies, reports and data on international water problems on the Columbia, Waterton, Belly, Souris, Red and Saint John river systems. These studies, reports and data included both those undertaken solely by the division and those undertaken in co-operation with other government agencies, consulting engineers and representatives of private corporations, among them the corps of engineers, United States army; United States bureau of reclamation; the federal power commission (United States); The Hydro-Electric Power Commission of Ontario; Manitoba hydro; The New Brunswick Electric Power Commission; B.C. Power Commission (now B.C. Hydro); Montreal Engineering Company Limited; Shawinigan Engineering Company Limited; H.G. Acres Company Limited; Crippen-Wright Engineering Limited; and the national research council.

(vii) Assistant chief of the water resources division with continuing responsibility for international water problems as outlined in (vi) above and additional responsibilities as member or secretary of various international engineering boards established by the international joint commission to investigate these problems as well as with responsibility for numerous other division functions. Appointed member for Canada of the Canadian and international control boards responsible for the regulation of storage in the Winnipeg river system in Ontario and Minnesota and in lake Memphremagog in Quebec and Vermont.

(viii) Chief of the water resources division and hence responsible for all division activities and functions; associated responsibilities included those on international water problems as outlined in (vii) above.

(ix) Chief engineer of the water resources branch; responsible for all activities and functions of the branch operations division; associated responsibilities included those on international water problems as outlined in (vii) above.

(x) Acting director, water resources branch; responsible for all branch activities and functions including associated responsibilities on international water problems as outlined in (vii) above.

(c) In the course of his duties in the water resources branch and its predecessors Mr. McLeod has participated actively in studies of international water matters, including their national aspects both for the department and for the Department of External Affairs, as well as for the international joint commission. Many of these studies have included the performance of detailed investigations, planning,

development of preliminary designs, performance of flowage appraisal surveys, preparation of estimates, programming and performance of studies to determine most effective system power operation and review of economic factors involved in the generation of hydro-electric power as well as in other water uses. Certain of these studies have included assessment of flood control requirements and development of measures to meet these requirements as well as preparation of cost estimates of such measures and of benefit-cost project studies. He also has participated in national and federal-provincial water studies of a similar nature.

G. M. MACNABB, NORTHERN AFFAIRS—QUALIFICATIONS

Question No. 1,813—**Mr. Herridge:**

With reference to G. M. MacNabb, special projects division water resources branch, Department of Northern Affairs and National Resources (a) what are his professional qualifications (b) how long has he been employed with the water resources branch and what duties has he performed during this period of employment (c) what experience has Mr. MacNabb had in the planning and operation of large electrical power systems?

Mr. Laing: (a) Mr. MacNabb graduated in 1954 with the degree of B.Sc. in civil engineering from Queen's University. He is a member of the association of professional engineers of the province of Ontario.

(b) Mr. MacNabb has almost 10 years of service with the water resources branch, (formerly water resources division). During this service his duties have included:

(i) Junior hydraulic engineer on field and office surveys in connection with the division streamflow and water level program in British Columbia and the Yukon territory.

(ii) Hydraulic engineer on field and office assignments in connection with the Columbia river investigation.

(iii) Hydraulic and senior hydraulic engineer in the division and branch with increasing responsibilities for studies, reports and data on international and federal-provincial water problems particularly on the Columbia, Ottawa and Saint John river systems. These studies, reports and data have included both those undertaken solely by the division or branch and those undertaken in co-operation with other government agencies, consulting engineers and representatives of private corporations, among them the corps of engineers, United States army; United States bureau of reclamation; the federal power commission (United States); the Hydro-Electric Power Commission of Ontario; the New Brunswick electric power commission; B.C. power commission (now B.C. hydro); Montreal engineering company limited; H. G. Acres company limited; and Crippen-Wright engineering limited.

(iv) Senior hydraulic engineer (engineer 6); responsible for continuing study requirements on problems related to the Columbia river treaty; member of the government of Canada team of negotiators at the official level and member for the government of Canada of two work groups established by the Canada-British Columbia-United States policy negotiators to make specific determinations and plans for handling of the downstream power benefits that will accrue to Canada under the Columbia river treaty.

(c) In the course of his duties in the water resources branch and the division, Mr. MacNabb has participated actively in studies of international water matters including their national aspects both for the department and for the Department of External Affairs, as well as for the international joint commission. Many of these studies have included the performance of detailed investigations, planning, development of preliminary designs, performance of flowage appraisal surveys, preparation of estimates, programming and performance of studies to determine most effective system power operation and review of economic factors involved in the generation of hydro electric power as well as in other water uses. Certain of these studies have included assessment of flood control requirements and development of measures to meet these requirements as well as preparation of cost estimates of such measures and of benefit-cost project studies. He has participated extensively in digital computer programming and operations essential to the solution of numerous questions encountered in these studies and is recognized as highly proficient in these fields. He also has participated in national and federal-provincial water studies of a similar nature.

HISTORIC SITE, BOULARDERIE ISLAND, N.S.

Question No. 1,814—**Mr. Muir (Cape Breton North and Victoria):**

1. What consideration has been given by the historic sites and monuments board in regard to the historical importance of the Count de la Boularderie settlement on Boularderie island?

2. Have any recommendations been made by the board on this matter and, if so, what consideration will be given them?

Mr. Laing: The board has not yet fully considered this question, which will appear on the agenda for the next meeting. (spring, 1964).

2. N/A.

Mr. H. A. Olson (Medicine Hat): Before we move from questions, Mr. Speaker, I wonder if I may have the permission of the

house to change the wording of question No. 1,730 so I could get some information. The wording now used calls for the tabling of names of certain sheep producers who have been paid. I realize that there is some difficulty and that it would possibly discredit some of these flocks of sheep if the recipients of awards for scrapie were made known.

I should like to change the wording and ask, what was the total amount of money paid out; in how many provinces has it been paid—

Some hon. Members: Order.

Mr. Olson: —how many recipients there were. I should like also, Mr. Speaker, to ask how many recipients—

Mr. Speaker: Order, please. May I suggest to the hon. member that the better way is to withdraw his question and put a new question on the order paper.

Mr. Olson: I should like to ask for that permission.

Mr. Speaker: Is the house agreed?

Some hon. Members: Agreed.

MOTIONS FOR PAPERS

BATTELLE INSTITUTE REPORT TO ALASKA COMMISSION

Motion No. 160—**Mr. Nielsen:**

That an order of the house do issue for a copy of a general assessment of the Battelle institute report to the Alaska international rail and highway commission, and of the latter's recommendations to the United States congress, prepared by the economic division of the Department of Northern Affairs and National Resources, May 26, 1961.

He said: Mr. Speaker, I was speaking to the minister's deputy this morning and he probably did not get an opportunity to call me back; no doubt he has been speaking with the minister. If the minister can assure me that there is material in these documents which would be prejudicial to any negotiations which may now or in the future be conducted with the United States concerning the joint paving of the Alaska highway, then I withdraw my motion.

Mr. Laing: Mr. Speaker, I want to thank the hon. member for again making the same commitment that he made last Wednesday in respect of this motion. I can assure him that if the report which he asked for, dated 1961, were made public it would be accompanied by a series of calculations and recommendations to the government which would demarcate the government's bargaining position in any conclusions or agreements made with the United States government if we arrive at the position where such a mutual undertaking was in prospect.

Mr. Nielsen: Then I withdraw my motion.

Order discharged and motion withdrawn.

ECONOMIC REPORT ON HAINES ROAD

Motion No. 161—**Mr. Nielsen:**

That an order of the house do issue for a copy of an economic report on the road from Haines, Alaska, to Haines Junction, Yukon Territory, prepared by the economic division in 1961.

Mr. Laing: Mr. Speaker, I should like to ask that this motion be transferred for debate.

Mr. Speaker: Pursuant to standing order 47 this motion is transferred to notices of motions (papers).

CORRESPONDENCE WITH WORLD FAIR CORPORATION

Motion No. 162—**Mr. Valade:**

That an order of the house do issue for a copy of all correspondence between the government, any parliamentary secretary or executive assistant to any minister of the crown, including the Prime Minister's office, and any member, full time employee or subcontractor of the world fair corporation.

Mr. Pickersgill: Mr. Speaker, I wonder if I could say a word about this motion. I spoke to the hon. gentleman and he said he would consider the matter. I have spoken to the Minister of Public Works, who would be very glad to talk over with the hon. gentleman the possibility of making public anything that can properly be made public. I wonder whether in the circumstances, in view of the fact that this is correspondence with a public corporation set up by parliament, the hon. gentleman would agree to withdraw his motion?

Mr. Valade: Mr. Speaker, I would ask the house to transfer this motion for debate because of the amendment the Prime Minister has proposed respecting the world fair corporation and also because of the technical difficulties which have occurred in setting up this land for the corporation. I would therefore like the house to transfer this matter for debate.

Mr. Speaker: Pursuant to standing order 47 this motion is transferred to notices of motions (papers).

DELAY IN EXECUTION OF WARRANT AGAINST HAL BANKS

Motion No. 167—**Mr. Diefenbaker:**

That an order of the house do issue for a copy of all letters or other communications, or memos or records of telephone conversations since October

1, 1963, between the Minister of Justice or anyone acting on his behalf, and the commissioner of the R.C.M.P. or other officer, having to do with a direction given by the Minister of Justice, that the carrying out and execution of the explicit terms of the said warrant that the peace officers should forthwith arrest Hal Banks of Montreal on the charge of conspiracy to commit an assault should be delayed, together with any further letters or communications which altered or varied said direction.

Mr. Chevrier: It is a well established rule that letters and other communications between ministers and officials, or between officials, and memoranda and records relating to conversations between ministers and officials, or between officials, are privileged and cannot be produced. I therefore cannot agree to produce any such material which might exist.

I have in mind a number of motions which I made when I was on the other side of the house, one in particular which was refused and which I have no right to go into at this time, and another which was made by my colleague the hon. member for Bonavista-Twillingate asking for production of the "Canadian Economic Outlook" for 1958, to which the former prime minister replied by stating the information was confidential and could not be produced. If the Leader of the Opposition is not willing to accept this, or is not willing to withdraw his motion, my suggestion is that the motion be transferred for debate at a later date.

Mr. Diefenbaker: I do not accept the suggestion of the minister that this is privileged. The words of the warrant are mandatory and do not permit of interference by the Minister of Justice. In ordinary circumstances I would agree that letters, memoranda or verbal instructions of the kind to which the hon. gentleman has referred would not be producible when the minister acts according to law; but in the wording of the warrant, form 7, the following appears: "This is, therefore, to command you—" that is, the peace officer— "in Her Majesty's name forthwith to arrest the accused".

This being so, the action admittedly taken by the Minister of Justice cannot be justified, and when he acts above the law what he does must be producible; otherwise lawlessness would be condoned and encouraged.

Mr. Chevrier: As Your Honour knows, this question is not debatable, and I made no attempt to debate it at the time. I would simply say to the right hon. gentleman that if he wants this matter placed on the order paper for debate I am quite satisfied, and I hope to be able to bring forward instances, when he was in office, of a position being taken identical with that taken by the Minister of Justice on this occasion.

Mr. Diefenbaker: At no time was there any act of lawlessness.

Mr. Speaker: Is there a request that this motion be transferred for debate?

Mr. Chevrier: Yes, Mr. Speaker, as far as I am concerned.

Mr. Speaker: It is so ordered.

SELLING AND PRICING OF NEW DRUGS

Motion No. 170—**Mr. Howard:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of telegrams, correspondence, and other documents exchanged between the government, the restrictive trade practices commission, or the combines investigation branch, and any person, organization, or company since January 1, 1961, regarding the question of hearings by the restrictive trade practices commission concerning the selling and pricing policies of certain pharmaceutical houses in respect of new types of drugs.

Mr. Chevrier: I am prepared to accept the motion subject to the reservation that memoranda prepared within the department or documents of a similar nature ordinarily considered as privileged, and correspondence and material of a private and confidential nature obtained or received in the course of the inquiry and not included in the report of the commission and in other material made public under the act should not be produced. In these circumstances I trust the hon. member will accept these reservations, and I hope he will be prepared to withdraw the motion.

Mr. Howard: There was no such reservation expressed by the hon. gentleman when he sat in opposition and voted for such a motion, but in view of the changed attitude he has now, I will withdraw the motion. It means nothing now.

Order discharged and motion withdrawn.

CORRESPONDENCE WITH MISS KAHN-TINETA HORN

Motion No. 172—**Mr. Howard:**

That an order of the house do issue for a copy of all correspondence, telegrams and other documents exchanged between Dr. P. E. Moore of the Department of National Health and Welfare or any other person in the government and a Miss Kahn-Tineta Horn or any other person or organization since January 1, 1963 dealing with the subject matter identified by file No. 800-1-9(M12) or file No. 100-1-9(M12).

Motion agreed to.

Mr. Haidasz: Return tabled.

DISMISSAL FROM R.C.A.F. OF PETER CRANSTON

Motion No. 174—**Mr. Orlikow:**

That an order of the house do issue for a copy of all correspondence between Mr. Peter Cranston, formerly a squadron leader in the R.C.A.F. and

the Prime Minister, Minister of Justice, and Minister of National Defence, dealing with the dismissal of Mr. Cranston from the R.C.A.F.

He said: Mr. Speaker, I have had discussions with the minister, and I am prepared to withdraw this motion.

Mr. Speaker: The motion is withdrawn.

Order discharged and motion withdrawn.

CONSTRUCTION OF ATOM SMASHERS

Motion No. 178—**Mr. Orlikow:**

That an order of the house do issue for a copy of all correspondence between the Canadian association of physicists and the government of Canada, its departments and commissions regarding the building of equipment usually referred to as particle accelerators or atom smashers.

Mr. Drury: Mr. Speaker, I have not had an opportunity to ascertain from the mover of the motion exactly what he has in mind in using the word "commissions". There is no question about the government of Canada and its departments, but I am not sure what he has in mind in relation to "commissions". Subject to clarification of this point we have no objection to the motion.

Mr. Speaker: The motion is accepted subject to the reservations as stated by the minister.

Motion agreed to.

TELECOMMUNICATIONS CONTRACT FOR RADIO STATIONS

Motion No. 179—**Mr. Cowan:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence dated August 15, 1962 to December 1, 1962 between the government of Canada or any minister, department or agency thereof and the Canadian Broadcasting Corporation, the Canadian National Railways, the Canadian Pacific Railways and the Bell Telephone Company of Canada, respecting the contract for telecommunications for the approximately 195 radio stations, the previous ten-year contract having been replaced by a new contract effective October 1, 1962.

Mr. Pickersgill: Mr. Speaker, I regret very much that I have not had a chance to talk to the Minister of Transport about this motion, as I had hoped and intended to do, and I wonder whether the hon. member would mind allowing it to stand until next week.

Mr. Cowan: Mr. Speaker, it has taken a year to get this far, so I presume another week will not hurt.

Mr. Speaker: Stand.

Motion stands.

[Mr. Orlikow.]

RECOMMENDATIONS RESPECTING HEAVY WATER PLANT

Motion No. 180—**Mr. Thompson:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of any recommendations made by Atomic Energy of Canada Limited to the Department of Industry, trade and commerce and/or finance subsequent to May 31, 1963, and relating to proposals which has been received on that date by Atomic Energy of Canada Limited for the construction of a processing plant to produce heavy water together with copies of (a) any further recommendations or correspondence made by Atomic Energy of Canada Limited to the government in regard to the Cape Breton site (b) the proposal of Deuterium of Canada Limited to Atomic Energy of Canada Limited for the construction of a processing plant for heavy water in the form originally received (c) the final proposal submitted by Deuterium of Canada Limited as accepted by the government and as announced by the Minister of Industry on December 2, 1963.

Mr. Drury: Mr. Speaker, I have had an opportunity of discussing this matter with the mover of the motion and have pointed out to him that as the recommendations and correspondence under (a) are internal, they are privileged. In respect of (b), the proposal of Deuterium of Canada Limited, I have undertaken to provide the hon. member with the information he seeks. In respect of (c), the final proposal has not yet been negotiated and therefore does not exist. In the light of this I think the hon. member is agreeable to withdrawing his motion.

Mr. Thompson: Mr. Speaker, in view of the fact that the first and third parts are not available and that I have been able to obtain the necessary information with regard to part (b), which is not classified, I agree to withdraw the motion.

Mr. Speaker: The motion is withdrawn.

Order discharged and motion withdrawn.

CONSTRUCTION IN CANADA OF BAC-111 PLANES

Motion No. 181—**Mr. Gregoire:**

That an order of the house do issue for a copy of all correspondence, telegrams and documents exchanged between the Minister of Industry or any of the officers of his department and the president or any of the officers or employees of the British Aircraft Corporation concerning the total or partial construction of BAC-111's in Canada.

Mr. Pickersgill: Mr. Speaker, I wonder whether I could say a word about all the motions standing in the name of the hon. member for Lapointe. Some of them concern the Minister of Industry and some of them concern the Minister of Transport, for whom I am acting in his absence from the house. I would hope that the hon. gentleman would be willing to allow these motions to stand until next week so that conversations could take place between the two ministers directly

concerned, which has not been possible since the motions appeared on the order paper.

[*Translation*]

Mr. Gregoire: Mr. Speaker, since next week will be the last of the session, I suggest that this would amount to killing those notices of motion. Since their subject matter is very important, I would like the parliamentary secretary to agree to the tabling of those documents today, on behalf of the Minister of Transport (Mr. McIlraith).

[*Text*]

Mr. Speaker: Is it the desire of the hon. member that I put the motion or that I allow the motion to stand?

[*Translation*]

Mr. Gregoire: Mr. Speaker, I would ask you to put the question, especially as far as motion No. 183 is concerned.

[*Text*]

Mr. Drury: Mr. Speaker, if you are calling No. 181 in the name of the hon. member for Lapointe, in the circumstances I would ask that this be transferred for debate.

Mr. Speaker: The motion is transferred for debate.

[*Translation*]

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

I have just heard the Secretary of State (Mr. Pickersgill) recommend to the Minister of Industry (Mr. Drury) that all notices of motion be transferred for debate. Since we are getting near the end of the session, I feel that the government is using this procedure to prevent us from having the documents in question.

[*Text*]

Mr. Speaker: Order. The motion is transferred for debate.

CONSTRUCTION IN CANADA OF CARAVELLE PLANES

Motion No. 182—**Mr. Gregoire:**

That an order of the house do issue for a copy of all correspondence, telegrams or documents exchanged between the Minister of Transport or any of the officers of his department and the president or any of the officers or employees of the Compagnie Sud-Aviation of France concerning the total or partial construction of Caravelles in Canada.

Mr. Drury: Mr. Speaker, I would ask that this be transferred for debate.

[*Translation*]

Mr. Gregoire: Mr. Speaker, I should like to say to the Secretary of State that it is certainly not because of the absence of the Minister of Transport that the Minister of Industry has asked that a question concerning his department be transferred for debate.

However, in view of the absence of the Minister of Transport and the suggestion made by the Secretary of State, if we could have the assurance that the motion will be debated and carried when the Minister of Transport comes back to the house, I would accept to have the motion stand for the time being.

[*Text*]

Mr. Pickersgill: Mr. Speaker, if I might rise on a question of privilege, the hon. gentleman has suggested something is being done that is contrary to the rules. I made the suggestion to the hon. gentleman that he allow his motions to stand so there could be a conference. They would then have to come up next week and be dealt with, but the hon. gentleman refused what is a reasonable request, and one which I have never before known to be refused in the house when a minister was absent.

Therefore he left the government with no choice but to transfer these motions for debate. But if the hon. gentleman would accede to the original request and allow them to stand until next week so this conference can take place, an endeavour will be made by the government to make available all the information that can properly be made available.

[*Translation*]

Mr. Gregoire: Mr. Speaker—

[*Text*]

Mr. Pickersgill: Mr. Speaker, the position I take, and the position I stand on, is that there must be a conference between the two ministers, and an endeavour will be made by the government to give all the information that is properly produceable under the rules. If that is acceptable to the hon. gentleman we will not transfer these for debate, but if it is not acceptable we will just act according to the rules of the house.

[*Translation*]

Mr. Gregoire: Mr. Speaker, I accept. In view of the fact that the Secretary of State, knowing his procedure as well as he does, can catch us off guard, I accept his suggestion.

[*Text*]

Mr. Speaker: Motion 181 will stand; motion 182 will stand; motion 183 will stand—

Mr. Pickersgill: All the rest.

Mr. Speaker: Motion 184—

Mr. Pickersgill: Could we not stand them all at once, sir?

Mr. Speaker: Motions 181 to 193 inclusive will stand.

Motions stand.

INDUSTRY

HEAVY WATER PLANT—CONSIDERATION OF REPORTED NEW METHOD OF PRODUCTION

On the orders of the day:

Hon. George C. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, I would like to address a question to the Minister of Industry. In view of the reports which appeared in this morning's press to the effect that he has a group of experts in Toronto considering the proposal which has been made by British American Oil with respect to the development of heavy water, I would like to ask him when he expects to have a report from this group of experts, and will it be in time to permit a discussion of this matter if the minister's estimates are called on Friday, which should be the case if the report is available? If the report is not available, then possibly the estimates would be deferred. I would like to have the minister comment on that.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I have been advised by Atomic Energy of Canada Limited that they would hope to have this report for me by late Monday night, but not before then. In these circumstances I do not think the hon. member would want to push scientific personnel to try to rush their assessment.

Mr. Nowlan: I am sure the minister will advise the house as soon as a report is available, in any event.

Mr. Drury: I will be glad to do that.

Mr. Robert Muir (Cape Breton North and Victoria): As a supplementary question I would just like to ask the minister if at that time—the time he has suggested—when his estimates are before the house, he will be in a position to provide the house and the country with a complete, comprehensive and factual report on this very important question.

Mr. Drury: The answer to that is no, because I will not know by that time what will be the scientific assessment of this new process claimed by British American Oil.

Mr. Muir (Cape Breton North and Victoria): As a supplementary question, would the minister give an assurance that he will provide the house and the country with all the information that is available at that time?

Mr. Drury: I am not sure what the hon. member means by "at that time." Is that following Monday?

[Mr. Pickersgill.]

Mr. Muir (Cape Breton North and Victoria): When your estimates are on.

Mr. T. C. Douglas (Burnaby-Coquitlam): The point we would like to know from the minister is, will he defer the discussion of his estimates until he has received this report from atomic energy and is able to tell the house what decision the government has made with respect to the heavy water plant?

Mr. Drury: If the house so wishes, I think it might be a useful thing to defer consideration of the estimates until this situation has been clarified.

CONSIDERATION OF FRENCH CANADIANS IN MAKING SENIOR APPOINTMENTS

On the orders of the day:

[*Translation*]

Mr. Gerard Chapdelaine (Sherbrooke): Mr. Speaker, may I direct a question to the Minister of Industry?

Could the hon. gentleman tell us whether it is true, as reported in *La Presse* yesterday, that some Quebec Liberal members are bringing pressure to bear on him to have French Canadians appointed as high officials in his department so that the French Canadian element be adequately represented in the Department of Industry?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I am not aware of such pressure.

Mr. Chapdelaine: Mr. Speaker, may I ask a supplementary question?

Could the minister inform the house whether he would let me exert such pressure?

[*Text*]

FINANCE

REPORTED ASSURANCE THAT EXCHANGE RATE WILL BE MAINTAINED

On the orders of the day:

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, I have a question for the Minister of Finance. Will the minister advise the house as to the nature of the "limited assurances from Ottawa that the Canadian exchange rate will be preserved at its present level," which Gordon E. Grundy, president of the automotive division of Studebaker was reported in yesterday's Ottawa *Citizen* as having said was a factor in the decision to move auto production to Canada?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I have nothing further to add to what I said on June 13 last in this house.

Mr. Fairweather: As a supplementary question, were these limited assurances given to Studebaker by the minister himself or by one of his officials?

Mr. Gordon: The limited assurances were not given by me, and whether they were given by anybody in Ottawa I do not know.

FEDERAL DISTRICT

STUDY OF POSSIBILITY OF INCLUDING OTTAWA, HULL AND EASTVIEW

On the orders of the day:

[*Translation*]

Hon. Leon Balcer (Three Rivers): Mr. Speaker, I should like to direct a question to the Prime Minister.

In view of the attitude reminiscent of the middle ages the mayor of Ottawa has taken toward bilingualism, does he not feel the government should take this opportunity to consider the possibility of establishing a federal district which would include Ottawa, Hull and the surrounding area?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I would hesitate to characterize any attitude of the mayor of Ottawa as medieval. In medieval times most educated people spoke Latin as well as their own language. On the particular matter of the federal district, this is a question that has aroused interest from time to time and has been under consideration by governments. No doubt it will receive consideration again in the future.

POWER

COLUMBIA RIVER—INQUIRY AS TO PROGRESS OF NEGOTIATIONS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. Does the minister consider the circumstances warrant his giving the house some definitive information as to the crucial negotiations on the Columbia river treaty, or is he precluded from doing so by a continuing contrariety?

Hon. Paul Martin (Secretary of State for External Affairs): Would my hon. friend repeat the last part of his observation?

Mr. Herridge: Does the minister consider the circumstances warrant his giving the house some definitive information as to the crucial negotiations on the Columbia river treaty, or is he precluded from doing so by a continuing contrariety?

Inquiries of the Ministry

Mr. Martin (Essex East): Mr. Speaker, this is the Christmas season—

Some hon. Members: Oh, oh.

Mr. Crouse: Tell us about Santa Claus.

Mr. Martin (Essex East): —and I am disposed to give my hon. friend the complete information for which he asks. With that in mind, I can only refer him to the informative reply that I gave yesterday.

Some hon. Members: Oh, oh.

Mr. Herridge: I have a supplementary question, Mr. Speaker, directed to the Minister of Northern Affairs and National Resources. Did any of the officials of the Department of Northern Affairs and National Resources give Mr. Paddy Sherman the figures he used in a broadcast this morning related to the price for downstream benefits in the negotiations, figures which are denied at the present time to members of this house.

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, I am conscious of the Christmas season too. As far as I know, no figures were sought by Mr. Sherman or given to him by any member of my department.

Mr. Stuart A. Fleming (Okanagan-Revelstoke): Mr. Speaker, I have a supplementary question to the Secretary of State for External Affairs. In view of the fact that the Canadian government negotiating position, which apparently takes into account the position of the government of British Columbia, has been revealed to officials of the United States government, is there any reason now why this house may not share in those details?

Mr. Martin (Essex East): Mr. Speaker, there is an excellent reason why, when negotiations are under way, they should be kept within the negotiating groups.

Mr. Fleming (Okanagan-Revelstoke): A supplementary question, Mr. Speaker. In view of the fact that both sides now know their definite positions in this matter, could the house not have some idea of what are the intentions of the government, even if not in detail?

Mr. Martin (Essex East): Mr. Speaker, those intentions will be revealed at the appropriate time.

UNITED NATIONS

RUSSIAN OBJECTION TO EXPANSION OF SECURITY COUNCIL

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs.

Inquiries of the Ministry

According to today's *Globe and Mail* the Union of Soviet Socialist Republics has now served notice at the United Nations that it will not permit the expansion of the security council at the present time. Will the Secretary of State for External Affairs tell the house what informal arrangements have now been made to rearrange the traditional seating arrangements for non-permanent members of that body so as to provide for appropriate Asian and African representation thereon; and what scheme, if any, has now been agreed upon so that in future Canada will have an opportunity to be represented on the security council?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I think my hon. friend will agree that he answered his own question when he told us that the Soviet union has made a declaration of its intention not to agree, as a member of the security council, to the expansion of that and other bodies until such time as the Chinese people's republic has been admitted to the United Nations.

Mr. Nesbitt: A supplementary question, Mr. Speaker. Perhaps the Secretary of State for External Affairs did not quite understand my question. I asked him what scheme had been arranged, if any—and I take it perhaps this has not been done—so that Canada will be assured of representation on that body in the future; because as the Secretary of State for External Affairs well knows, since Russia will not permit the expansion of the council the informal arrangements for seating members which have existed until recently will have to be rearranged.

Mr. Martin (Essex East): The commonwealth seat continues until such time as the big five and the assembly have agreed, pursuant to United Nations procedure, to another arrangement for representation on the council. Until that decision is taken, the status quo continues.

Mr. Nesbitt: A supplementary question, Mr. Speaker. Do I understand that the Secretary of State for External Affairs is telling this house that the commonwealth seat, under an informal arrangement which has existed until recently, is still in existence?

Mr. Martin (Essex East): Mr. Speaker, I think my hon. friend will see from the answer I have given to his question that there is nothing further I can add. The situation will not change until such time as the assembly agrees to another arrangement.

[Mr. Nesbitt.]

INQUIRIES OF THE MINISTRY

On the orders of the day:

[*Translation*]

Mr. Jean-Pierre Côté (Longueuil): Mr. Speaker, I have a question for the President of the Privy Council. Does the minister intend to appoint Miss Charlotte Whitton to the royal commission on bilingualism and biculturalism, in view of certain statements published in the newspapers?

[*Text*]

Mr. Speaker: Order. There will be no applause from the gallery, please.

[*Translation*]

Hon. Maurice Lamontagne (President of the Privy Council): Mr. Speaker, the government will examine that request together with the qualifications of the mayor of Ottawa.

An hon. Member: She is a Conservative.

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to ask a supplementary question. Is it the intention of the President of the Privy Council to recommend as well that Mr. Gordon McGregor, president of Trans-Canada Air Lines be appointed to that same commission?

[*Later:*]

[*Text*]

Mr. Pigeon: I have a question for the Prime Minister. Is it the intention of the Prime Minister to be accompanied by Mr. McGregor, president of T.C.A., on his next trip to France?

HOUSE OF COMMONS

OBJECTION TO "HANSARD" PRACTICE RESPECTING CAPITALIZATION

On the orders of the day:

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a point of privilege that I wish to raise. We hear a great deal these days of linguistic rights, and my point of privilege has to do with the breaches of accepted English usage to which hon. members of this house are subjected when their speeches are reported in *Hansard*. I have reference to the odd and peculiar formula for capitalization that is insisted upon by the *Hansard* authorities. Yesterday I made a short speech in the house in which I made one or two references to an international body, the international monetary fund. In spite of my request to *Hansard* that these three words should be capitalized—as they should be according to literate and accepted English usage—

Some hon. Members: Hear, hear.

Mr. Cameron (Nanaimo-Cowichan-The Islands): —I find them again in lower case. I suggest to you, Mr. Speaker, that it is intolerable that members of this house should be subjected to this illiterate misusage of English and some steps should be taken to correct the situation. I propose to raise it on every occasion upon which I am subjected to this sort of nonsense again.

Some hon. Members: Hear, hear.

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, I discussed this problem with the Secretary of State and I have the same question of privilege to raise. I give three examples of this in a speech I made on December 3. The first is the University of New Brunswick, which obviously should be capitalized; the Canadian universities foundation should be capitalized, and finally the Canadian universities service overseas. In all these cases correct English would dictate a capital being used.

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, perhaps since there is no English academy this question might be referred to the Academie Francaise.

RETENTION OF SESSIONAL STAFF DURING RECESS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Secretary of State supplementary to the question asked him yesterday by the hon. member for Quebec-Montmorency. Does the decision to retain members' secretaries on staff during the period between this session and the next apply also to messengers and other members of the sessional staff of the House of Commons?

Hon. J. W. Pickersgill (Secretary of State): I will have to make inquiries about that.

RAILWAYS, AIR LINES AND SHIPPING

REQUEST OF FRENCH GOVERNMENT FOR STATEMENT BY T.C.A. PRESIDENT

On the orders of the day:

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I wish to put a question to the Secretary of State for External Affairs. Has the French government or the French embassy requested a copy of the evidence given by Mr. Gordon McGregor before the sessional committee on railways, air lines and shipping?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I have received no such request.

Inquiries of the Ministry

SUGAR

INQUIRY AS TO CONTRACT WITH RHODESIA

On the orders of the day:

Mr. Robert C. Coates (Cumberland): Mr. Speaker, I have a question for the Minister of Trade and Commerce which I shall direct to his parliamentary secretary in the absence of the minister. Can the Minister of Trade and Commerce inform the house when a long term sugar contract with Rhodesia might be concluded, in view of the continuing exorbitant prices being charged for this commodity and in view of the fact that it continues to be available in the United States at a lower price than is the case in Canada?

Mr. Jean-Luc Pepin (Parliamentary Secretary to Minister of Trade and Commerce): I will take this question as notice, Mr. Speaker.

TRANSPORT

SUGGESTED IMPROVEMENT OF GRAIN SHIPPING FACILITIES

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, my question originally was to be addressed to the Minister of Transport, but in his absence I address it to the Minister of Agriculture. Are the minister or his departmental officials considering approaching or making plans to approach farm cooperative organizations, wheat pools and line elevator company officials to improve elevator and other facilities so that Canada, with a surplus of grain, could meet the demand for western wheat?

Hon. Harry W. Hays (Minister of Agriculture): I will take that question as notice, Mr. Speaker.

KETTLE VALLEY RAILWAY—APPEAL AGAINST DISCONTINUANCE OF SERVICE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): In the absence of the Minister of Transport I wish to direct a question of imminent significance to the right hon. Prime Minister. In view of the right of any interested party, person or company to appeal to the governor in council by way of a petition against any decision of the board of transport commissioners, is the Prime Minister prepared to accept such a petition from the member for Kootenay West on behalf of the Rossland chamber of commerce appealing against the decision of the board of transport commissioners authorizing the discontinuance of passenger service on the Kettle valley railway?

Right Hon. L. B. Pearson (Prime Minister): I shall have to take this question as notice and discuss it with my colleague the Minister of Transport.

HUMAN RIGHTS

REPORTED DISMISSAL OF INSURANCE OFFICIAL THROUGH POLITICAL DISCRIMINATION

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the right hon. Prime Minister. In the British House of Commons Mr. Peter Thomas, joint minister of state for foreign affairs, referring to the forced resignation of Lord Mancroft from the board of the Norwich Union Insurance Societies, said that the government "strongly disapproves of pressure from any source on British firms to discriminate between British subjects on any grounds". I would like to ask, in view of this statement, whether the Prime Minister is prepared to make a statement on behalf of the Canadian government registering the government's disapproval of the political discrimination practised by the same company against Mr. James Renwick of Toronto.

Right Hon. L. B. Pearson (Prime Minister): I can only say, Mr. Speaker, that the government disapproves of discrimination in any form.

LABOUR RELATIONS

B.C. FISHERMEN'S STRIKE—RESIGNATION OF ARBITRATOR

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to ask the Minister of Fisheries if Mr. Justice Dryer, who was appointed as arbitrator of the dispute in the B.C. fishing industry earlier this summer, has tendered his resignation from that position. If so, when did the minister hear of this?

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, I wish to advise the hon. member that I received a letter last week from Mr. Justice Dryer advising that in view of his heavy responsibilities, there would be undue delay in proceeding with the arbitration which he accepted early last summer. In view of this we are prepared to accept his resignation, and I am attempting to communicate with the minister of labour for British Columbia, Hon. L. R. Peterson, in order to appoint a new arbitrator.

Mr. Howard: May I ask a supplementary question. Does the minister not feel, in view of the speed with which the government acted last summer when this dispute was in progress, that he should speed things up now? The whole process is being delayed, for which the minister is primarily responsible, and this is inimical to the interests of the people concerned.

Mr. Speaker: Order; there is no question—

Mr. Robichaud: Within a few hours after receiving the letter from the chief justice I tried to communicate by telephone with the minister of labour for British Columbia. I was told he was unavoidably absent for a period of ten days. In the meantime my office is communicating with the office of the minister in order to locate him, and this is being done today.

Mr. Howard: May I ask a supplementary question. When the minister was in Vancouver to attend a meeting of the north Pacific fisheries commission, did he then not try to get in touch with Mr. Peterson?

Mr. Robichaud: Yes, I did try to get in touch with Mr. Peterson and I did get in touch with him, notwithstanding the statement to the contrary that was made by the secretary of the united fishermen and allied workers. At that time Mr. Justice Dryer had not tendered his resignation. I contacted him the next day in Montreal where I was attending the resource ministers' meeting. At that time Mr. Justice Dryer informed me he thought he would be able to carry on with the arbitration. However, only a week later, he reconsidered his position and advised me he was not able to do so without unduly delaying proceedings.

MARITIME UNIONS—REQUEST FOR TRANSCRIPT OF PRESS CONFERENCE OF TRUSTEES

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I want to ask the Minister of Labour a question. In view of the fact that the maritime unions trustees today held a press conference in Montreal to bring the press up to date on their activities at the present time, and in view of the fact that during the conference they outlined certain deficiencies in the federal legislation which led to difficulties on the great lakes, I wonder whether the minister could get a transcript of the press conference so that members of parliament could be aware of the information that has now been placed in the public domain.

Hon. A. J. MacEachen (Minister of Labour): I will make inquiries, Mr. Speaker, to meet that request.

MARITIME UNIONS—REQUEST FOR REPORT BY TRUSTEES

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Labour whether he has made any inquiries regarding the questionnaire to which I alluded yesterday; and second, whether the interim report by the trustees appointed in connection with great lakes shipping is now in his possession.

Hon. A. J. MacEachen (Minister of Labour): No, Mr. Speaker, I have received no report. As I indicated to the house yesterday I expect to be seeing Mr. Justice Dryer very soon, and I hope to have a discussion about this matter and about the possibility of a report to parliament at the earliest possible date. At that time I intend also to raise the question of the questionnaire; and in light of the further question of the Leader of the Opposition I may wish to be in touch with Mr. Justice Dryer very soon.

PENSIONS

REQUEST FOR PRODUCTION OF CHAMBER OF COMMERCE BRIEF

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 press reports to the effect that the Canadian Chamber of Commerce has submitted to the Prime Minister and the government a brief urging the government to scrap the Canada pension plan, I wonder whether a copy of this brief and of the Prime Minister's reply, which I hope was an appropriate one, could be added to the return the house ordered under motion for production of papers No. 105 which was passed on October 23 but which has not yet been brought down?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, there is no reason why the brief should not be added to the return in question. My comment on that part of the brief, while appropriate, was purely oral and there would be no record of that. However, I assure my hon. friend that what I told them was in line with the assurance I have already given to the house on this matter.

INQUIRIES FOR RETURNS

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): I should like to ask a question of the house leader. Will he report to the house with regard to the questions passed as orders for returns?

Hon. J. W. Pickersgill (Secretary of State): By an extraordinary coincidence I anticipated this question today.

Mr. Nowlan: A guilty conscience.

Mr. Pickersgill: It was just anticipation. I have in my hands a list of the returns which are still outstanding, and I shall be glad to lay that on the table. I should like to report that out of 96 questions which have been made orders for returns since the beginning of the session, there are only four outstanding; out of 107 motions for the production of papers which have been accepted and passed, only 37 are still outstanding. I believe this is some kind of record.

Mr. Erik Nielsen (Yukon): I have a question for the Postmaster General arising out of his acceptance on December 4 of my motion for the production of papers No. 152. I wonder whether the minister could say if he could table that correspondence in time for the consideration of his estimates, which will be under discussion today or tomorrow?

Hon. Azellus Denis (Postmaster General): I do not know if the documents are going to be ready by this afternoon or tomorrow. The motion was accepted only last week, but we are doing our utmost to be able to produce these documents. If we cannot, then I will try to answer all the questions the hon. member may ask during the discussion of the estimates.

AGRICULTURE

FEDERAL AGENCY TO PROVIDE FEED GRAIN FOR EASTERN FARMERS

On the orders of the day:

Mr. Raymond Langlois (Megantic): I should like to direct a question to the Minister of Trade and Commerce, but in his absence I shall direct it to the Minister of Agriculture. Since consideration is being given to the formation of an eastern feed grain board, can the minister say if this board can obtain feed grains directly from the Canadian wheat board?

Hon. Harry W. Hays (Minister of Agriculture): As I suggested in the house the other day, we are having a meeting of eastern ministers on the 16th, 17th and 18th, when these matters will be discussed. Until that time I do not have any announcements to make.

Mr. Langlois: May I ask a supplementary question and raise a point of order on the answer the minister has given. This subject is of concern to the federal government, not to the provincial ministers. Has the minister

or the government any intention of purchasing such grain, or is there any possibility of purchasing such grain for the eastern feed grain board?

Mr. Hays: I have nothing to add. The wheat board is under the Minister of Trade and Commerce, and probably the hon. member should address his question to him.

POST OFFICE DEPARTMENT

PRODUCTION OF CORRESPONDENCE WITH CONSULTANTS

On the orders of the day:

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, may I direct a question to the Postmaster General?

Can the minister assure us that he sent us all the correspondence he exchanged with all his consultants since last April 8?

Hon. Azellus Denis (Postmaster General): Mr. Speaker, the answer is yes, as far as official correspondence is concerned.

Mr. Rondeau: Mr. Speaker, may I ask a supplementary question?

Why did not the minister send us that correspondence in our respective ridings as it was exchanged with his consultants?

Mr. Denis: Mr. Speaker, you will note that the questions asked by hon. members opposite, especially those of the new Social Credit party, have been numerous and required inquiries in the various ridings of the province to gather as much of the correspondence as possible.

[*Text*]

ANNOUNCEMENT OF STAFF HOLIDAY ON BOXING DAY

On the orders of the day:

Hon. Azellus Denis (Postmaster General): Mr. Speaker, in answer to the question asked yesterday by the hon. member for Moose Jaw-Lake Centre, I am pleased to inform him that December 26 has been declared a holiday with pay for all civil servants, which includes postal employees. Where the 26th is observed as a holiday there would normally be no letter carrier delivery. Employees required to work on December 26 would be compensated in accordance with the civil service regulations.

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): May I ask a question on that, Mr. Speaker. I want to thank the Postmaster General for this announcement, but will he make this decision public immediately and continue to urge the public to mail early, so there will not be too great a mail delivery load after the Boxing day holiday?

Mr. Denis: I will do my best, Mr. Speaker.

PENITENTIARIES

ST. VINCENT DE PAUL—STATEMENT ON RIOTS

On the orders of the day:

Hon. Lionel Chevrier (Minister of Justice): On Monday the hon. member for Vancouver East asked me whether the commissioner of penitentiaries had completed his investigation into the riots at St. Vincent de Paul and the alleged attacks by guards on the alleged leaders of the riots. A summary of the findings and recommendations of the commission of inquiry convened by the commissioner of penitentiaries under the Penitentiary Act in respect of the riots was tabled in the house in June last.

With respect to the question of alleged attacks by guards on the alleged leaders of the riots, I presume that the hon. member is referring to the case of Alvin Gunn. On October 29 last I tabled a statement with respect to this case, and it was printed in *Hansard* at page 4134. This investigation, which was limited in scope, was conducted by the regional director of penitentiaries over a two day period, and evidence was not taken under oath.

In the light of the findings of that inquiry the commissioner of penitentiaries, acting pursuant to the powers that he has under the Penitentiary Act, appointed a legal officer of the Department of Justice, Mr. Louis Philippe Landry, as a commissioner to inquire into and report upon the alleged physical abuse used against Gunn. Mr. Landry, acting under his powers to subpoena witnesses and take evidence under oath, conducted an inquiry accordingly and reported his findings to the commissioner. The finding was that Alvin Gunn had been severely beaten by eight penitentiary officers and that the beating was not necessary under the circumstances.

At the time of Mr. Landry's inquiry five of the officers had already resigned or were under suspension for other reasons. The remaining three officers were charged before a disciplinary board under the penitentiary regulations with the offence of having used excessive force against Gunn. The board found one of them guilty and recommended a severe reprimand. The board concluded that there was not sufficient evidence to justify conviction of the remaining two officers.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question. May I ask the minister what is involved in a "severe reprimand" for a guard beating a prisoner?

Mr. Chevrier: Having regard to the fact that there were a number of others and that five of them have resigned or been suspended, I presume that in the case of the guard in question the part he took in the incident was less grievous than the part played by the others and warranted, in the eyes of the disciplinary board, a reprimand rather than a dismissal.

NEW WESTMINSTER—RECOMMENDATION THAT CONDITIONS BE INVESTIGATED

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): A further supplementary: I asked the minister some two weeks ago about the recommendation of a jury that there be an investigation into conditions in the New Westminster penitentiary. He said at that time that the superintendent of penitentiaries was in the west and that he might be able to reply when the minister had his report on his return. I wonder whether the minister has had any report from the superintendent or the commissioner and what action the government intends to take.

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, I was under the impression that that matter was closed. I had the report from the judge and I gave the house the recommendation made by the judge. Those recommendations have been discussed with the commissioner, and the commissioner has not made any statement other than that which I put on *Hansard.*

Mr. Douglas: A supplementary question. Do I understand from the Minister of Justice that he is refusing to conduct an inquiry into conditions at the New Westminster penitentiary, as recommended by the jury, merely because of the views expressed by the judge and the commissioner of penitentiaries?

Mr. Chevrier: No, Mr. Speaker, I do not think I said that, and I hope I did not leave that impression. I reported, as I indicated earlier, that I had discussed the question with the commissioner. I have received no report from the commissioner, and since I hope my estimates will come up this week, or certainly early next week, there will be an opportunity to discuss it then, when I shall be glad to give further information to the hon. member.

ADMINISTRATION OF JUSTICE

HAL BANKS—STATEMENT ON ABSENCE FROM COUNTRY WHILE ON BAIL

On the orders of the day:

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, while I am discussing this matter perhaps I can reply to a question asked by the hon. member for Bow River concerning the warrant issued against Banks. The answer to the question asked by him, with reference particularly to Banks' absence from the country, is as follows. I am informed by Mr. Jean Martineau, Q.C., special counsel, that there are no court rules in Quebec which prohibit an accused who has been charged with an offence and granted bail from leaving Canada during the time he is out on bail. The amount of the bail and the conditions to be imposed are matters for the court, and it is significant in this case that the court actually fixed bail in a lower sum than the crown suggested, thus confirming that the court brought its own judgment to bear upon this matter.

Mr. Eldon M. Woolliams (Bow River): A supplementary question with reference to the answer of the Minister of Justice. Do I take his answer to mean that there are special rules governing bail in the province of Quebec which are not covered by the Criminal Code of Canada?

Mr. Chevrier: All I can say in that respect is that the moment the matter is in the hands of the courts, then it is no longer the responsibility, I take it, of those who have laid the charge or are responsible for the laying of the charge. That, I think, applies not only in the province of Quebec but in all other provinces as well. The accused is then in the hands of the court. If the court decides to place conditions upon bail, over which certainly neither the Minister of Justice nor any officer in the department would have any control, I do not think one should direct any criticism at that court.

CANADIAN FLAG

SUGGESTED ANNOUNCEMENT BY GOVERNMENT BEFORE CHRISTMAS

On the orders of the day:

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, I wish to direct a question to the Prime Minister. As the present session is coming to an end and as we will soon be celebrating Christmas, at which time it is customary to exchange presents with one another, would the Prime Minister be willing to give a Christmas present to the Canadian people by granting our country a distinctive national flag?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I think it will be impossible to have this gift ready and wrapped before Christmas.

Inquiries of the Ministry

ECONOMIC COUNCIL

INQUIRY AS TO APPOINTMENT OF PERSONNEL

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I ask the President of the Privy Council when he intends to announce the personnel of the economic council of Canada? I know the chairman and directors have been appointed, as well as some staff. It is now over four months since the legislation was passed, and this matter was supposed to be of very important urgency. So far as I know the government has not yet announced the personnel.

Hon. Maurice Lamontagne (President of the Privy Council): Mr. Speaker, I hope to be in a position to make an announcement about this next week.

LABOUR CONDITIONS

UNEMPLOYMENT—CONSIDERATION BY DOMINION-PROVINCIAL CONFERENCE

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 Labour. Is it his intention to hold soon a special meeting between the federal and the provincial governments in order to discuss exclusively the unemployment problem which is alarming Canada at the present time?

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): The question of unemployment was discussed recently at the federal-provincial conference, at which time there was noted by those present an encouraging rise in total employment in Canada and an encouraging decline in unemployment. As the hon. member will realize from the figures released today, the unemployment rate, seasonally adjusted, is lower at the present time than it has been since the summer of 1957.

Some hon. Members: Hear, hear.

Mr. Pigeon: That noise is a form of closure, Mr. Speaker. I wish to ask a supplementary question. In view of the fact that this winter half a million Canadians will be unemployed, is it the intention of the minister to recommend the holding of a special meeting between the federal government and the provincial governments to consider this important matter?

Mr. MacEachen: As I have indicated, the premiers were given an opportunity, pursuant to a meeting in Halifax this summer, to have a special conference with the federal government on unemployment. Most of them preferred to have the item listed on the agenda of the recent federal-provincial conference. This was done, and an additional discussion was held at that time with respect to unemployment.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I was interested in the cavalier way in which the minister disposed of the matter of unemployment. Does he regard the situation today, when there are 300,000 unemployed, as being the full employment which the Liberal party promised?

Mr. MacEachen: The situation of any person who is unemployed and who is willing and able to work is a matter of serious concern to the government, and to all Canadians. I wish to assure the right hon. gentleman that this is the attitude taken on the part of the government. I wish to assure him also that there has been a definite increase in employment during the past year and a definite decrease in unemployment, and that the unemployment rate, seasonally adjusted, is the lowest since the summer of 1957.

Hon. Theogene Ricard (St. Hyacinthe-Bagot): I should like to ask the Minister of Labour what projects he has in mind to provide jobs for these 303,000 Canadians who are unemployed. What are his proposals for providing immediate work for these people? I ask this because when the hon. gentleman was on this side of the house he certainly made a big story out of it.

Mr. G. H. Aiken (Parry Sound-Muskoka): I should like to ask the Minister of Labour if he does not agree that the decline in unemployment is the result of the legislation enacted over the last few years.

Mr. Raymond Langlois (Megantic): A supplementary question to the Minister of Labour with reference to the answer he gave to the hon. member for Joliette-L'Assomption-Montcalm. Is the minister aware that the residents in the area of Thetford Mines would pay his fare there if he would go there and explain to them what he has just said in this house, in the way he said it?

Mr. Robert Muir (Cape Breton North and Victoria): Could I ask the minister what plans he has for those who will be displaced by the closing of the Point Edward naval base? If he is not able to reply now, then how soon will these plans be announced?

Mr. MacEachen: I would refer the hon. member to the statement made by my colleague the Minister of National Defence with respect to this matter—a statement which I hope he drew to the attention of the people

of Cape Breton on his visit there last week end—to the effect that no reduction in the work force at that base would be undertaken until after April 1, that the reduction would be undertaken over a considerable period of time, and that appropriate measures would be taken to assist in the adjustment of those affected.

Mr. Muir (Cape Breton North and Victoria): In other words, what the minister is saying—

Mr. Speaker: Order. This is becoming a debate.

Mr. Muir (Cape Breton North and Victoria): Am I to understand from the minister's last statement that no one will be laid off at the Point Edward naval base until his department finds alternative work for them?

Mr. MacEachen: The statements which the Minister of National Defence and I have made on this point are perfectly clear.

Mr. Muir (Cape Breton North and Victoria): I do not think they are clear to those who will be laid off.

UNEMPLOYMENT INSURANCE

INQUIRY AS TO PREPARATIONS TO AMEND LEGISLATION

On the orders of the day:

Mr. Jack A. Irvine (London): May I direct a question to the Minister of Labour? Will the minister inform the house what progress has been made in preparing legislation to overhaul the Unemployment Insurance Act?

Mr. Speaker: Order. That is certainly a question for the order paper at this time of the day.

CANADIAN NATIONAL RAILWAYS

APPOINTMENT OF AUDITORS

Hon. J. W. Pickersgill (for the Minister of Transport) moved the third reading of Bill No. C-121, respecting the appointment of auditors for national railways.

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

An hon. Member: On division.

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

SUPPLY

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

PRIVY COUNCIL

1. Payment, notwithstanding anything in the Financial Administration Act or the Senate and House of Commons Act respecting the independence of parliament, to each member of the Queen's Privy Council for Canada who is a minister for whom no salary or allowance in addition to the allowances under section 33 and section 44 of the Senate and House of Commons Act is provided (the acceptance of which shall not render such member ineligible or disqualify him as a member of the House of Commons) of a salary of $7,500 per annum and *pro rata* for any period less than a year, $7,500.

Hon. Maurice Lamontagne (President of the Privy Council): There are a number of different subjects which might properly be discussed as we consider the estimates of the privy council. So as to have a more orderly discussion, I propose to hon. members that we defer consideration of the estimates of the emergency measures organization until the very end of our deliberations. At that time, the Minister of Industry, who is now responsible for this organization, will take over. I would also suggest that the general discussion on centennial projects and programs be postponed until we reach the vote concerning the centennial administration. If this procedure is acceptable—and I hope it will be, for it will make for a much more orderly discussion, as I have suggested—it would perhaps be convenient for me to say a few words at this point, about the bureau of government organization which forms part of the privy council office and about the progress that has been achieved in implementing the recommendations of the royal commission on government organization, generally referred to as the Glassco commission.

The first volume of the reports of the commission appeared in September, 1962. Since then four additional volumes have been published. Volume 5 appeared in May of this year. The commission has now discharged its mandate. Its staff of experts and consultants, combined with officers seconded to it from within the public service, has now been disbanded.

I should like to take advantage of the opportunity presented by this discussion of the estimates to express the thanks of the government and of the people of Canada to the commissioners and to all those who were associated with them in their monumental study of the structure and organization of the government of Canada in all its many forms. The present government holds the view that the findings and the recommendations of the commissioners deserve the most serious and careful study.

There is, in the view of the government, much in the report of the commissioners that will, if carried into effect, achieve one of the commission's prime objectives as stated in its terms of reference, namely "to provide efficiency, economy and improved service in the dispatch of public business". At the same

time, it must be added that there will inevitably be some recommendations which can only be accepted and implemented with suitable modifications, and others which may not be acceptable at all.

It was for the purpose of facilitating the detailed study and appraisal of the commission's numerous recommendations, about 300 in all, that the bureau of government organization was established by the preceding administration in the privy council office. The bureau was established in January of this year just prior to the publication of volume 3 of the commission's reports. It has continued to function actively throughout the year and the first major results of its work were seen in the list of 68 approved recommendations which I tabled in the house on November 5 last. If we add to this list the half dozen or more recommendations formally accepted and approved by the previous administration we can say that something like 25 per cent of the formal recommendations made by the Glassco commission in its five volumes, containing 24 reports, have now been formally approved by the government.

I should add immediately with reference to the statement I have just made that I recognize the impossibility of judging the progress made in implementing the commission's findings simply by reference to the percentage of recommendations that have been approved. The 75 or more formal recommendations which have been accepted to date are not in all cases to be considered among the most important of the commission's recommendations. Many of the more fundamental and far reaching proposals still remain to be assessed and decided. Indeed, many of the most important proposals of the commission are not set out as formal recommendations at all. Instead they are embodied in the text of the reports themselves, not as formal recommendations but explicitly or implicitly as part of the argument of the commissioners. I cite as instances of my point report No. 1 entitled, "A Plan For Management", the separate report of commissioner Therrien on bilingualism in the public service, and report No. 19 on the Canadian Broadcasting Corporation. Not one of these three reports contains a single formal recommendation. One has to look to the text of the reports themselves and to the argument advanced in the text to determine what criticisms are offered concerning the present arrangements and what changes, by inference if not directly, are advocated.

This is why I say that the findings of the commissioners, both their formal recommendations and the implications of their criticisms and their observations on a wide variety of governmental activities, must be studied actively and with the greatest care in order to determine the full implications of the changes which are proposed in the interests of improved and more effective service to the taxpaying public.

I should like now to direct the committee's attention to a number of major questions of principle to which the Glassco commission addressed itself, since it is only by so doing that we will be able to place in proper perspective the recommendations which the commissioners made and which the government has been considering. Perhaps the most important of these general questions has to do with the degree of concentration or delegation of authority that is to be sought in a service as large, as varied and as far-flung as is the federal public service. By its very nature the federal administration must be widely dispersed and highly decentralized in physical and geographical terms. That is not only highly desirable but entirely unavoidable in a country as vast as Canada.

We have also accepted in our governmental structure over the years a high degree of decentralization by departments and agencies. The proof of this is seen in the number of departments which have been created over the years and in the even larger number of independent and quasi-independent agencies, including crown corporations, which have been established by parliamentary action both in the pre-war and especially in the post-war years.

In another sense, however, with respect to authority for decision making there has been a lesser degree of decentralization than one might imagine if one were to judge solely by the appearances of geographical and departmental decentralization as applied to operations. So far as the basic authority and responsibility with respect to financial and personnel management are concerned, these have not been decentralized with respect to departments to anything like the same extent that they have been in the case of crown corporations or other agencies. For a good many years now, since 1918 or earlier in respect of personnel matters and since 1932 in respect of financial agencies, the civil service commission, the treasury board and the comptroller of the treasury have exercised detailed control over the personnel and financial activities of individual departments to an extent far beyond that which the Glassco commission considers necessary for the effective operations of the departments or for the proper safeguarding of the public interest.

The commissioners point out, for example, that under the provisions of the Civil Service Act it is the civil service commission which recruits, selects, promotes, transfers and

carries out most of the other important elements of the personnel function affecting the careers of the classified civil servant in a government department. It is the civil service commission, together with the treasury board, which deals with matters affecting establishments, classifications and reclassifications. It is the treasury board which in the final analysis deals with pay determination. In fact, very few of the decisions in the personnel field affecting the work performance, the careers and the effective deployment of the members of the civil service can legally be taken by the departments which, nominally at least, employ, direct and supervise the civil servants whose services they use to discharge the department's responsibilities.

The reasons which have led to the concentration of authority and responsibility in respect of personnel matters in the hands of the civil service commission and in the treasury board are of course well known, and have their roots in the early history of government in this country. While recognizing these historical factors, the Glassco commission concludes none the less that the removal of authority, responsibility and accountability from departments for personnel management has gone too far; that the departments have become weakened thereby; and that this has led to a degree of dependence by departments on the central control agencies, which is not healthy or conducive to sound concepts of organization or management. Where responsibility is too widely dispersed—where it is scattered, fragmented and shared by too many units of administration—it becomes almost impossible to fix or to pinpoint responsibility. By the same token it becomes more difficult to hold any one unit or authority accountable for the consequences of decisions which are taken.

The Glassco commission compares the position of the government departments and of the civil service in this respect, with the much greater concentration of authority, responsibility and accountability on line management that is found in private industry, and equally in the crown corporations and independent agencies. The commissioners ask, in this connection, what is so different about the position of 133,000 classified civil servants —and about the calibre and quality of departmental management—that they have to be treated so differently from employees in private industry, and so differently also from the much larger numbers of crown employees employed outside the confines of the Civil Service Act?

The conclusion of the commissioners is that the high degree of detailed and centralized control over individual personnel management decisions presently exercised by the civil service commission and by the treasury board is both unnecessary, and in fact detrimental to efficient administration. It recommends that central control continue to be exercised through the laying down of broad policies, directives, principles and guide lines through the treasury board; that the role of the civil service commission be substantially altered with the removal of many aspects of personnel administration from its jurisdiction and a strengthening of its role as an independent agency for the safeguarding of the merit system; and that departments be given greater responsibility for making the detailed individual personnel decisions affecting the employees of their respective departments, but always within the policy guide lines established by the central management authority, that is, the treasury board.

When we turn to the area of financial management, and to the relationship between the comptroller of the treasury and the treasury board with departmental managements, the commissioners present to us a similar picture. Under the Financial Administration Act the comptroller of the treasury must pre-audit every proposed payment of every department of government. Should the comptroller's view of the legality of the proposed payment, or of the eligibility of the proposed payee to receive the payment conflict with the view of the administering department, such disagreement can only be resolved by the decision of the treasury board. Such a system involves, in the view of the commissioners, an undesirable degree of protection, leading to dependence on the comptroller, for departments; inevitable duplication between the work of departments which must make the initial decision, and the comptroller, who must confirm or reject it; and excessive involvement of the treasury board in a large number of individual decisions when its primary concern and preoccupation should be with broad policy matters.

The full measure of the extent to which the responsibility for decision making has been shifted from departmental management to the central management authority of the treasury board can be seen from the table shown on page 131 of volume 1 of the Glassco report, which shows that in 1960 almost 16,000 submissions were made by departments and agencies to the treasury board seeking authority to make decisions. The number of management decisions, initiated by departments in the personnel field, or in the proposed authorization of money payments which require the sanction of the civil service commission or the comptroller of the treasury, is vastly in excess of the questions submitted for decision to the treasury board

itself. In all three areas, the view of the Glassco commission is that the vast majority of these individual decisions on detailed points can and should be taken by departmental management within the framework of broad policy guide lines established by the treasury board or other central control agencies. In other words, the central control agencies should exercise control through policy formulation, and through a method of supervision which endeavours to assess the over-all effectiveness with which policies are carried out. If this viewpoint is accepted, it means in the view of the commissioners that the central control agencies concentrate on policy formulation, and disengage from detailed decision making with which they are so greatly overburdened at the present time. Departments, on the other hand, within the framework of the policies laid down for them to follow, would have the responsibility for making their own decisions, would not be excessively protected from the consequences of their own carelessness and mistakes as they are at present, and would be held accountable for the results, whether good or bad, which flow from their decisions.

At this point, the question can quite properly be asked: what is the government's attitude to the commission's point of view on this important question of financial management and control? Does the government subscribe to the philosophy of personnel and financial management outlined in the Glassco report?

The answer to this perfectly proper question must, of course, be a qualified one. By and large, however, the government's view on the score of financial management is indicated by the fact that it has accepted, in the list which I tabled on November 5 last, the recommendation set out at page 105 in volume 1, of the report that "departments and agencies be given a greater measure of financial authority and be held correspondingly accountable for the effective management of the financial resources placed at their disposal."

I should perhaps draw attention to an important difference between the recommendation as it appears in the commission's report and the form in which I have indicated the government's acceptance.

The report refers to departments being given "the necessary financial authority"; the recommendation as accepted by the government calls for departments to be given a greater measure of financial authority. This distinction is an important one. The government, in other words, is accepting and moving in the direction which the commission has recommended, that is to say, the direction of greater departmental management control, responsibility and accountability for its own administration.

The government has not yet, however, made a final determination as to how far it is prepared to go along the lines recommended by Glassco, nor is it prepared as yet to say that it will go the entire distance advocated by the commission. That is why it has to date indicated its acceptance of only 16 of the 27 recommendations contained in the financial management report. The remaining 11 have not been rejected; they have merely been reserved for more detailed study.

I should perhaps at this point refer to another step which we have decided to take in the process of testing the validity of the Glassco commission's recommendations on financial management in advance of their actual implementation. Members of the public accounts committee have already been advised of a number of feasibility studies which have been arranged to test the applicability of the commission's recommendations on financial management in the day to day administration of four separate departments. The departments engaged in these feasibility studies are the departments of agriculture, northern affairs and national resources, transport, and veterans affairs. In the case of northern affairs the study extends beyond questions of financial management to include the Glassco recommendations on personnel management and paperwork and systems management as well. Each of these four departments has retained the services of a management consultant to assist in working out the changes in departmental organization structure and procedures which would be required to implement fully all the Glassco recommendations in the fields mentioned.

These studies, which will take six months to complete, will cover not only the recommendations in the fields of financial management which the government has already accepted, but also those which have not as yet been decided. We hope and expect that out of the experience of these four departments we will be able to determine the extent to which it is sound and practicable to apply the commission's recommendations on financial and personnel management, etc., to the service as a whole.

My remarks to this point, Mr. Chairman, have related principally to the recommendations contained in the first volume of the Glassco commission's reports. Here the principal issue has been the division of responsibility between the central control agencies, treasury board, the civil service commission and the comptroller of the treasury on the one hand, and the departments on the other.

The commission comes down in favour of a substantial shift of management responsibilities on matters of detail to the departments.

There is one other issue of major importance raised by the commissioners in their very first report entitled "A Plan for Management". That has to do with the proposed relocation and reconstitution of treasury board, and the designation of a minister as the full-time president of treasury board. The principal reason advanced for this proposal by the commission is that the Minister of Finance, because of his other preoccupations and responsibilities has, in fact been unable for a number of years now to devote an adequate amount of time and attention to his duties as the chairman of treasury board. The commission expresses the view that if the trends of recent years continue there will be an increasing danger that the really effective control of treasury board decisions will come to rest increasingly with the staff of treasury board rather than with the ministers who make up treasury board itself. The commission therefore recommends that a full-time minister be named to preside over the work of the board, that the board itself be recognized effectively in its constitutional role as a committee of the privy council, and that in conformity with this concept of its role the staff of the board be reconstituted as an integral part of the privy council office, instead of the Department of Finance to which it presently belongs.

It is clear that this recommendation of the commission is one of fundamental importance to the future role and function of treasury board, and to the discharge of its responsibilities as the central management authority of the government itself. The existing arrangement whereby the Minister of Finance serves also as chairman of treasury board goes back to early days of confederation. The committee can be assured that the government is giving the most careful consideration to these important recommendations of the commission, but it may be some weeks yet before it is in a position to announce a definite decision one way or the other.

I have concentrated my remarks in large part, Mr. Chairman, on the reports contained in volume 1 of the commission's work, partly because we have had a longer period of time in which to study these reports, but more importantly because they deal with principles and problems which affect the functioning of the public service as a whole. I expect that within the next few months we will complete very largely our consideration of the important issues raised by the reports contained in volume 1, and that by the time this committee is called upon to consider the 1964-65 estimates of the bureau of government organization I will be in a position to present to the committee a report on the government's decisions with respect to the questions still outstanding. As the work on volume 1 approaches completion, we are turning our attention increasingly to the reports contained in the later volumes. The list of approved recommendations which I tabled on November 5 covers, in fact, a variety of matters contained in volumes 2 and 3, but does not touch volumes 4 and 5. These later reports are now receiving our detailed attention.

I should like to mention a particular group of recommendations, relating to report No. 6 on purchasing and supply, which the government has already announced its intention to implement. These recommendations call for the conversion of the Department of Defence Production into a department of supply, which will serve as the central procurement agency for most, if not all, departments and agencies of the federal government. As the committee knows, the Department of Defence Production already acts as the procurement agency for the defence department and the armed forces, whose combined requirements exceed by two or three times, in dollar value, all the procurement requirements of all the civilian departments and agencies of the government. The logic of the recommendation to establish a common procurement agency is therefore difficult to argue against. The Department of Defence Production has therefore been authorized to proceed by orderly stages, to the establishment of a central procurement agency to serve the common needs of all departments and functions of the federal government.

The first stage of this will consist of—

[*Translation*]

The Chairman: I am sorry, but I must interrupt the minister since his time has expired.

[*Text*]

Unless he has the unanimous consent of the committee—

Some hon. Members: Agreed.

Mr. Lamontagne: The first stage of this will consist of taking over certain common procurement functions previously assigned to the Queen's printer, office equipment and supplies; the Department of Public Works, office furniture; and the Canadian Commercial Corporation, procurement for other governments. When this stage has been satisfactorily completed, the transfer of common procurement from the various departments and agencies, which now carry out their own purchasing and supply activities, will then be undertaken.

Some commentators on the work of the Glassco commission have contended that the purchasing and supply recommendations, and others, contained in other reports throughout the second and subsequent volume, run directly counter to the principal recommendations contained in volume 1. Volume 1 would decentralize authority and control for detailed decision-making to departments. Volume 2 in the report on purchasing and supply would take the procurement function from the departments and centralize it in a common procurement agency. Is there a contradiction here? In the view of the government there is no contradiction. Under the arrangements proposed, the procurement authority and control will continue to rest with the individual departments and agencies. The departments will continue to decide what they need, what specifications should be laid down, what quantity and quality should be stipulated, what requisitions should issue, and so on. The departments, after all, are the ones which will be accountable for the expenditures of the funds voted by parliament. The new department of supply, on the other hand, will act solely as the agent of the requisitioning department, in a service not in a control capacity. It will be the task of the treasury board, as the central management agency of the government and the over-all policy making authority in this field, to ensure that the individual departments and agencies conform to the government's broad policy directives in the requisitions which they issue for the central procurement agency to fill. The control or supervision of departmental action will in no way be a function of the central procurement agency. If this principle is maintained, there will clearly be no conflict between the principles advocated by the commission and adopted by the government with respect to central procurement and those which favour a larger measure of departmental responsibility as set out in volume 1.

[*Translation*]

Mr. Chairman, my last remarks on the recommendations of the Glassco commission, are related to the problem of bilingualism in the civil service. The commission submitted, in that field, five recommendations which have already been approved by the government and which we are now implementing.

Here are these recommendations:

1. That the federal government adopt active measures to develop bilingual capacities among its employees on a selective basis.

2. That the government intensify its efforts to attract and retain more of the highly-qualified young people of French Canada capable of advancement to senior ranks.

[Mr. Lamontagne.]

3. That consideration be given to a review of the classification, remuneration, and career opportunities for translators throughout the public service.

4. That steps be taken to attract more bilingual information officers to the public service.

5. That, in every department and agency, full bilingualism be made a mandatory qualification for at least one of the top positions in the information service unit.

I must stress the fact that these recommendations are formal proposals, emanating from the commission as a body. They are not part of the minority report of Mr. Therrien, that I have already mentioned. Although Mr. Therrien in his report does not make any formal recommendations, he makes some very important and useful remarks on the subject of bilingualism in the federal administration. Mr. Therrien has explained most clearly the various aspects of a situation which has always existed but with which we cannot put up. We all know that it has to be corrected, improved.

It is partly for that reason that the government decided to set up a royal commission of inquiry on bilingualism and biculturalism.

However, the federal government felt that it should not wait for the commission's report to act. As early as last May, a special cabinet committee was established to look after administrative reform and bilingualism. I have the honour of being its chairman. As its first task, the committee has decided to define more clearly the objectives of the government regarding federal administration.

We have set ourselves the three following aims:

1. To put in theory and practice, French and English on an equal footing for all public relations of the federal authorities. In practice, for external written or oral communications, the preference of the citizen would determine the language to be used.

2. To establish a similar policy concerning internal communications within the civil service. Thus, correspondence and other written communications could be in English or in French, according to the writer's choice. A similar system should finally be set up for oral communications. Handbooks, general instructions and circulars would be published in both languages.

3. To intensify the efforts being made to recruit a greater number of civil servants from French Canada and, to this end, to revise if need be, the competition system and recruiting methods.

In order to assist the government in reaching those objectives, an interdepartmental committee made up of officials representing the main departments and the crown corporations has also been established. This committee has been given the task of submitting

as soon as possible concrete recommendations on the following aspects of a general program.

1. The nature and organization of French and English classes within the public service, for government officials as well as for other employees. The committee has already submitted a report on the matter and the government has approved a plan which is to be carried out, on an experimental basis, by the civil service commission and which will be used to determine the contents of a comprehensive program we expect to launch in 1964.

2. The suitable measures to adopt to recruiting, training, promotion and assignment of employees, so as to better meet the requirements of bilingualism within the public service.

3. The payment of an additional salary as a reward for the additional competence required from the civil servants who have to do business in both languages.

4. The setting up, in each department, of a section concerned with the progress and coordination of the measures intended to ensure bilingualism.

5. The setting up, location and structure of a federal institute where civil servants would study especially the problems relating to bilingualism and biculturalism.

6. The use of bilingual forms, manuals and circulars in all departments and crown corporations.

7. Bilingualism within our armed forces.

Of course the government reserves the right to accept, amend or reject the recommendations made by the interdepartmental committee.

Moreover, we do not intend to impose that over-all program by force. We believe, on the contrary, that it would fail without full and wholehearted support from civil servants and their associations.

That is why the government intends to consult with these associations before taking each important step in that program. We want above all to avoid affecting acquired rights and creating new discriminatory conditions while trying to rectify the injustices that exist at the present time.

It must be added that many civil servants have already understood the new tasks which force themselves upon them and, in many cases, they have themselves taken the initiative by attending special classes, devoting part of their leisure time and their own money to that purpose. We are then convinced that civil servants will accept the government program concerning bilingualism, not reluctantly and as a concession but as an opportunity to improve their own culture and thence be able to serve all Canadians more effectively.

[*Text*]

Mr. Nowlan: Mr. Chairman, I am sure the committee appreciates the statement which the minister has just given to us. It was one of some length, and I do not say that critically at all. The subject matter deserves to be treated at some length. This is the first really definite statement on the administration of his department, with particular reference to the report of the Glassco commission. I appreciate the fact that the minister has dealt at some considerable length with the report of the Glassco commission. He dealt also with the matters of bilingualism and biculturalism, which is a very important matter. I am sure the minister and the committee will appreciate the fact I do not dwell on that at any length at all because I think we agree, in general, with what he has said. However, for a few brief moments I want to deal with his references to the Glassco commission.

I can appreciate the problems which are confronting the government, and particularly confronting the minister, because, as I understand it, the minister is charged primarily with the responsibility of developing this situation. I appreciate what he says about the chairman of the treasury board. It is true that constitutionally the Minister of Finance is the chairman of treasury board, or at least is responsible for its administration. I doubt whether that practice has been carried out to the letter for some years. I do not think I am betraying any state secrets when I say that during the time when I was minister of national revenue, in fact before the government changed in 1957, I was informed, when Mr. Abbott was minister of finance, that the minister of national revenue acted as chairman of treasury board, or was acting chairman of treasury board. During the time when my colleague Mr. Fleming was minister of finance, I very often, in fact usually, acted as chairman of treasury board; and when I became minister of finance I had another colleague take over the same responsibilities. Because it is absolutely impossible, of course, for a minister of finance to look after the details of matters which come before treasury board.

I think we are very fortunate in having had this report of the Glassco commission which points out the detailed administration which vests in treasury board today. With all respect to a most distinguished and able group of civil servants—no government could be better served—it is very difficult indeed for treasury board to deal adequately with these problems which confront them. I have been sitting in the public accounts committee during the last few days listening to discussion by hon. members about investigating tenders and other matters which come

before treasury board. I have felt from listening to these hon. members that they did not realize that every week hundreds and hundreds and hundreds of these matters come before treasury board and have to be dealt with on the recommendations of the officials. It is impossible for the Minister of Finance or the Minister of National Revenue or for anyone—I understand that under the present government a colleague of the Minister of Finance acts as chairman most of the time—to deal with these problems. Therefore I appreciate the fact that the minister has dealt at some length today with his thinking with respect to the report of the Glassco commission.

I know very well that in the relatively short time which he has had at his disposal it is impossible for him to make definitive recommendations to the committee. I quite appreciate the fact that he will need some weeks, perhaps some months, longer to deal with the question. Perhaps I am pessimistic enough to think that he will have another three or four months in which to deal with these matters, and that when he brings his estimates before the committee of supply, which will have to be fairly early if he is going to deal with them, say in the early spring of next year, we will expect the minister to bring forward, as I am sure he is planning to do, positive recommendations or statements of policy as to how far he or the government proposes to go in implementing the Glassco commission report.

I know that the government of which I was a member was impressed with many of the recommendations in the report. We did not endorse them all, but I think there are matters there which are worthy of debate and should be considered very carefully before they are adopted. We did second to the privy council several civil servants, two of whom were particularly able; the deputy minister of a department who had had wide administrative experience and in whom I am sure every member of the House of Commons and member of this committee has complete confidence, and a Mr. McDonald, who had been a member of the treasury board, who co-operated with him. I am sure the minister is having the assistance of these senior civil servants, as well as undoubtedly many others in formulating his plans.

Without taking up too much time just now, because frankly one could talk about this matter for two hours and end up with the same situation—that there has not been time for the minister or the government to arrive at definite conclusions as to what they propose to do in this matter—may I just say that I think it is highly important that something should be done. I think the report is very

[Mr. Nowlan.]

valuable. I hope and believe that the minister also feels there are many recommendations deserving of support which will result in economies in an area in which economies are very difficult to achieve; hence any avenue which leads to economies should be explored in every way.

I do not think I can usefully add anything more at this moment to what I have already said on the other question of bilingualism and biculturalism. This is a problem which has been with us for many years. I know the government is dealing or is intending to deal with it, and I am sure the committee and the House of Commons will support the government in every reasonable step they think necessary to develop the matter. So far as the Glassco commission is concerned I leave the report on the desk of the minister who is responsible for it, and look forward, as I said not later than the last of February or very early in March, to the recommendations which the minister will bring forward; otherwise it might be left on my desk, and I would rather have his recommendations to deal with at the moment than my own.

Mr. Webster: Mr. Chairman, I wish to speak briefly at this time on the relation between this parliament and higher education. Although education is a provincial responsibility, through necessity and through the pressures of public opinion the federal government has become involved in the matter by virtue of its many agencies. The Glassco commission refers to 20 different federal departments which provide some educational service. In spite of this activity there is greater need than ever before for increased federal participation, according to recent representations by responsible and informed professional bodies which have been made both to the Prime Minister and to the cabinet. First, the Canadian teachers' federation, representing all the teachers of Canada, have urged the federal government to act to alleviate educational inequalities across the country. Their brief emphasized the wide disparity between the amounts available for education in one province and those of another. In 1961 in Newfoundland the cost for each pupil was $141, in Prince Edward Island $162, but in Alberta it was $378 and in British Columbia $373, almost three times as much. Teachers claim that it is unjust that the standard of education should depend on the place of birth of a Canadian child.

Second, the Canadian universities foundation, supported by all our institutions of higher learning, have appealed to the Prime

Minister and the cabinet to consider sympathetically an appeal to assist the universities across this country in their building programs. They estimate that costs of the 16 new universities at present under construction will amount to $800 million in the next three years. They have asked the federal government to provide $300 million in the form of matching grants to the provinces. They urge also that the grant to the Canada Council be increased by $2 million a year for scholarships in the social sciences.

Third, student organizations from coast to coast have been urging the federal government to keep its commitment to provide 10,000 university student scholarships as promised in the last election campaign by many speakers for the Liberal party: So much talk during the campaign, but not a word since parliament convened last May. University enrolment has doubled in the last 10 years and it is expected to double again in the next seven years. Why this crisis in university education? One answer is immigration and the trend to larger families. More important, however, is the recognition of education for all as a basic human right, and I mean not just elementary but secondary and higher education as well. Today the masses are crowding at the university gates as never before. This is true throughout the world, in communist countries as well as in the western democracies. In the United States, at least 30 per cent of the American youth enter an institution of higher learning. In Canada the figure is nearer 12 per cent. The most significant reason for this tremendous interest in the training of our citizens is the growing conviction that education is a basic tool in economic and social development. We need educated personnel for industry, for business and for the public service.

I wish to quote from the report of the committee on higher education appointed by the Prime Minister of Great Britain under the chairmanship of Lord Robbins, presented to the United Kingdom parliament in October, 1963:

> We do not believe that modern societies can achieve their aims of economic growth and higher cultural standards without making the most of the talents of their citizens. This is obviously necessary if we are to compete with other highly developed countries in an era of rapid technological and social advance. But, even if there were not the spur of international standards, it would still be true that to realize the aspirations of a modern community as regards both wealth and culture, a fully educated population is necessary.

The report recommended that Britain increase its expenditure on higher education from £206 million sterling in 1963 to £742 million sterling by 1980.

In conclusion, may I say this: If Canada is to expand its economy and maintain its position as a strong middle power among the nations of the world, we must give greater attention to the present crisis in higher education. This will require federal action on an unprecedented scale. I hope we shall be wise enough to make that decision.

[*Translation*]

Mr. Marcoux: Mr. Chairman, a short while ago I met the President of the Privy Council (Mr. Lamontagne) and I told him that as far as I am concerned I would not delay the adoption of his estimates, because I was not supposed to speak. However, since the spokesman of our party is not in the house at this moment, I will therefore say a few words in his place.

I believe that we should congratulate the government for its goodwill shown in the two fields mentioned by the President of the Privy Council. He referred to the report, or reports of the Glassco commission. Although with some reservations, he has nevertheless proved that the government favours the implementation of certain parts of the report and a more detailed consideration of some others. It seems to be sincerely interested in the Glassco report.

The government ought to be commended in that connection. I believe our group would agree with me when I say that it is a step in the right direction, that of justice and equity.

The minister also referred to the Therrien minority report. There again, I feel that Mr. Therrien did well in submitting such a report even though he did not suggest any corrective measure. I have the impression that the government and the President of the Privy Council will do their utmost to find a solution to the problems set out by Mr. Therrien.

It is a well-known fact that the government intends to favour bilingualism, and I say that it deserves to be congratulated for the projects which the minister has announced in that respect.

It should be kept in mind that, according to the proverb or saying, the road to hell is paved with good intentions. Further steps are required and a definite stand should certainly be taken to cope with those problems.

I must admit that this problem is extremely complicated and that the Laurendeau-Dunton royal commission will not succeed in solving it. An answer will only be found with the good will of every individual, of parliament and, on a larger scale, of the Canadian people. It is only through understanding that we shall finally find a proper solution.

As for me, I am not interested in knowing the whys and wherefores of such situations

within some department or agency in which we have only one representative out of a hundred. That is a thing of the past; what we are interested in now, is proportionate representation within each and every department.

I am not one of those either who insist on French Canadian representation on the basis of language regardless of competence. Indeed, I hold the same opinion about patronage. In my opinion, it is not because a person belongs to one party rather than another that he has the necessary qualifications. He must have specific qualifications and be competent.

In that connection, I feel that bilingual French Canadian candidates must be just as competent as the others, but they must also have an equal chance. It still happens that some people are not given an equal chance, and that is why I say that the question is difficult and delicate.

I shall stop here because I should not want to delay the adoption of these estimates.

There is a great deal of talk about national unity, the union of our two nations. Indeed, several expressions are used in that respect. To prevent any ambiguity, we should speak of the good will which should exist between the various groups which form our country. However, we should recognize the fact that the two groups which founded Canada have certain rights and responsibilities of which immigrants should be aware before they come over here.

As far as culture is concerned, I do not admit that it must divide us; on the contrary, it must unite us and give us a better understanding of each other. Thus, through our various cultures rather than our languages, I am of the opinion that we should look for things we have in common, which would help us to agree instead of disagree.

I express the wish, since there is often talk of bilingualism, that the President of the Privy Council (Mr. Lamontagne) will see to it that this commission will really give us an idea of the reasons why we find ourselves in such a situation today and let us know if there is a way out.

Before closing, I would like to add that my fellow citizens in Quebec with whom I am often in contact and to whom I offer applications to join the civil service, tell me: We do not want to go to Ottawa, we do not want to work for a federal department, we do not want to take a cut in salary in Ottawa when we can do better elsewhere.

Those are important problems and if we are aware of them, it will help us change an established situation of which we are conscious and about which even the royal commission will not give us much information.

Before closing, I would like to mention in connection with estimates Nos. 45, 50, 55 and 60 that the minister will have to change, I presume, the titles of those items which now read as follows: "National centennial" and "National conference on Canada's centennial", which will later be amended to read as follows: "Centennial of Canadian confederation" and "National conference on the centennial of confederation", under the terms of Bill No. C-107.

[Mr. Marcoux.]

Mr. Valade: Would the hon. member allow me a question?

In the very beginning of his remarks, he congratulated the government for having implemented the representations of the Glassco report. Should he not congratulate the former government for having established that commission?

Mr. Marcoux: Mr. Chairman, as I mentioned a moment ago, the intentions were good, and they should be congratulated. The Conservative government has established a number of commissions, but they did not always implement the recommendations which they made. It is one thing to establish commissions, but we must congratulate as well those who implement their suggestions.

Mr. Caouette: Mr. Chairman, I would like to say only a few words on the estimates of the President of the Privy Council which will amount this year to $16,239,800, that is an increase of $9,096,990 compared to last year. This increase is mainly due to the fact that this year the government has approved payments to the fund of the centennial of confederation which will be celebrated in 1967, as well as to some government or semi-government commissions making investigations here and there in Canada.

Mention has been made awhile ago of the role of the Glassco report and other commission reports. Liberals and Conservatives congratulated one another, the latter for having created these commissions and the former for having proceeded with them.

In my opinion, it is the first year that the Department of National Defence, which still has supplies accumulated in wartime, takes into consideration parts of the Glassco report, because there were extravagances and unreasonable expenses, which could have been eliminated. That is why I said the other day, during the study of the estimates of other departments, namely industry and trade and commerce, which want to promote industrialization all over Canada, that the reports of the Glassco commission, as well as all commissions, are terribly costly and did not produce much up to the present. The facts have been placed before us, but

it seems somewhat difficult for the government to take action now. We approve the estimates, for instance those under vote 50 entitled:

Programs and projects of national significance including grants towards such programs and projects.

As well as vote 55:

Payment to the national centennial fund—

—or the confederation centennial fund—

—to enable grants to be made to the provinces for local projects of a lasting nature (the total of such grants not to exceed $1 per capita of population per province).

This means that Ontario will receive a total of $6 million, Quebec, $5 million, Alberta, $1.5 million, British Columbia, $2 million, etc.

The President of the Privy Council is surely within his rights and, in my opinion, nobody in the house will object to the approval of his estimates which will enable us to celebrate properly the centennial of confederation.

We do not object to his estimates but we want to draw the minister's attention to the amounts allocated to various commissions. There have been many such commissions in the past under the Mackenzie King administration; there were some also under the Tory administration after 1957 and similar commissions will again be created to investigate the expenditures of various departments in the future.

Our commissions spend hundreds of thousands of dollars to provide a report and then they are not carried out, steps are not taken to correct situations which need to be corrected. I hope the government will seek a remedy for those situations which need it and will not hesitate in assuming the necessary responsibilities.

We, on this side of the house, will certainly co-operate with the President of the Privy Council to help him, as far as possible, to carry out the work that every representative of the people should have his heart set on, because the President of the Privy Council will certainly agree that government moneys must be spent in the best interests of the Canadian nation.

[*Text*]

Mr. Macquarrie: Mr. Chairman, I always try to speak briefly and I am already so overwhelmed with the yuletide spirit that this will guarantee ever greater brevity. In addition, I was back to my constituency yesterday and I was accorded such a good reception there that I am more anxious than ever to return so I would not want to carry on at any great length on these estimates.

I should like to say that I too appreciate the statement of the minister in respect of the possible implementation of the Glassco royal commission recommendations. We on this side of the house are very proud of the initiative taken in this regard. We are happy about the prospect that those now in power —I was going to say "temporarily in power" —will look kindly upon the very practical suggestions put forward after this careful and exhaustive study.

I think it is tremendously important that we take some steps to bring about greater efficiency in the governmental service and, indeed, in the whole parliamentary process. Down through the ages it has been easy, of course, for those who set efficiency as their god to describe the parliamentary process as slow, ineffective and ineffectual. When Robert Borden came to the parliament of Canada many years ago he thought that the waste of time was enormous and that the methods were most unbusinesslike; but when he left he had a greater regard for the parliamentarian than for the businessman type who, he said, very rarely made a good parliamentarian. He did, however, make one or two exceptions. At a time when there are so many who, quickly and casually and I am not looking in any particular direction for the moment, would denigrate our parliamentary institution, it is of the essence that we take such steps as will bring about greater efficiency without at any time losing the essential ingredient, which is the democratic, representative and responsible element that makes our parliamentary institution something far more important and far greater than any economic aggregation.

I was most impressed with the remarks of the hon. member for Vancouver-Kingsway, not only because many years ago I was a member of the Canadian teachers' federation and, after that, a faculty member of various Canadian universities, but because of the tremendous importance of the subject which he so well emphasized. I have recently come back from a visit to various universities in Canada and one cannot visit a Canadian university without being impressed with the tremendous needs, financial and otherwise, that face administrators, the tremendous problems that face those concerned about the education of our youth.

The representations of the Canadian teachers' federation and the Canadian university foundation must be met. I would call upon the government to find means to give more than an agreeable verbal response to these people—I am sure the government will find support in all parts of the house—in order to try to assist our educators in facing up to a problem which is as acute indeed as our need for national survival, and as important as our

hopes for national greatness and advancement. I believe the minister has not always been overly kind toward the concept of shared programs. I come from one of those provinces which are never terribly concerned about joint ventures in which the dominion government participates. We have no worries about our provincial purity as long as we can find some means—

Mr. Lamontagne: As long as you get the money.

Mr. Macquarrie: —to assist in meeting the needs of our people. Therefore we welcome assistance. Indeed, we welcome it from this government just as heartily as we did from its predecessor, and in the field of education it is obvious this would have to be a shared program of some kind, recognizing the fundamental and prime role of the provinces in this field.

I am not going to speak at length, and certainly I am not going to bring in any partisan asperities, but I would say that I very much hope the Prime Minister will move quickly on his pledges to the young people of Canada, the students, to bring into being a system of scholarships. I believe the promise was made a few months ago of 10,000 scholarships of $1,000 each, and of various plans for bursaries and other assistance in the form of loans. The need is great; the promise was made, and I think the government will find no opposition, no harassment, in its efforts to honour that promise and to assist the young people of Canada in attaining their educational goals.

I would like to say, too, I was most impressed with the remarks of the hon. member for Quebec-Montmorency when he spoke about bilingualism. Naturally we have a bilingual parliament by law, and of course we must take note of the importance of regarding bilingualism as essential in that apparatus of parliament, and in the administration of government; but I would hope that in our efforts along those lines we would not move to a situation where the linguistic abilities of the citizen would transcend any other of his abilities or capacities. Therefore the remarks of the hon. member commend themselves to me very much for their soundness and, I think, for their validity.

I will not discuss the question of biculturalism and the royal commission, only to say I wish it well. I cannot anticipate too much in its accomplishments. It may help us outline and define the problem but it cannot come close to a solution, because problems so grave and so significant are not handed over to a royal commission to be resolved in the report thereof.

It seems to me that the people of Canada are most anxious in these very trying times that moderation and reason will prevail. We have the national centennial commission under the minister's department, and we hope the same spirit of common sense and reasonable accommodation will prevail today as it did nearly 100 years ago.

I was very proud that a colleague of mine, the hon. member for Three Rivers, in my view was the first man to utter in accents of 1963 the principles of Cartierism in that approach. I might tell the parliamentary secretary it is of another Cartier I speak. Jacques Cartier was a great man, but perhaps the latter one was an even greater man, Sir George Etienne Cartier, and his were the views so recently enunciated by the hon. member for Three Rivers. He is not the only one by any means, because this is the kind of rationale upon which we must base our consideration of bilingualism and biculturalism, although the purists may say the word biculture is not properly used.

Finally, before I sit down, I would like to commend the minister's attention to the activities soon to commence in the province of Prince Edward Island where we are putting on a real celebration, extending over 12 months, celebrating 100 years commemoration of the Charlottetown conference, where the whole confederation project began. I would not presume for a moment to say that we in Prince Edward Island can teach all of Canada how to conduct celebrations, but I would suggest that any Canadian who comes to these would learn a great deal. Therefore I would invite the minister and all others to become a part of the celebrations we will launch in a very few days to honour that historic event. I am quite sure the minister will still be the minister for a good portion of the celebrations, and who knows how much longer. I wish him well in his department.

Mr. Howe (Hamilton South): I would like to speak about education, but in a much more limited way with regard to the rather serious problem that exists so far as the future of physicians in Canada is concerned. The education of physicians has become a very serious matter, much more serious than we realize, and in order to go into this subject I would like to preface it with three questions: (1) Are we producing enough physicians in Canada? (2) How does the quality of the physicians we produce compare with those produced in other countries? (3) What does the future hold.

The answer to the first question must be a categorical no. In the year 1901 Canada had one physician for every 972 persons. In the year 1951 there was one physician for 976

persons. Although our production of physicians from our own medical schools had increased during these years, it had not increased as rapidly as had the population of our country. Fortunately for us we were saved from a disastrous shortage of physicians during the past 10 years of rapid population growth by the large number of immigrant physicians who came to our country. The average output of our own 12 medical schools in Canada at the present time is about 850 new physicians a year. During some of the years since 1955 the immigrant physicians coming to our country have annually numbered over 600, thus increasing by approximately 75 per cent the number of physicians entering practice in Canada each year over what we produce ourselves. As a result of this, our physician population ratio has improved and in 1960 it was one to 879 population. It still is below that of 20 other countries in the world today, and far below the United States, which has one physician to 711 population.

Even if it were advantageous for Canadians to be looked after in significant part by physicians educated elsewhere, we cannot count on this source of supply to continue. Many of these immigrant physicians were the ones who were unhappy under some form of prepaid health insurance that existed in their own countries. As the years go by the number of malcontents becomes less, in part because physicians have been more inured to the new system, and in part because forms of prepaid health insurance in other countries have been improving as the difficulties in their early years of use have been smoothed out. Further, when Canada develops a form of government supported prepaid medical care itself, which most assuredly will happen, it will cease to be one of the few remaining centres of individual enterprise in the field of health.

Another factor which will make our supply of physicians still less adequate is the fact that when Canada does develop a form of government supported prepaid health insurance, there will be a significant increase in the demand for health services. In some other countries where this has been studied, the demand has increased by as much as 30 per cent. It is doubtful that the increase will be so great in Canada, because it seems likely that a larger proportion of our population is now receiving adequate medical care than in many other countries. However, there can be no doubt that there will be increased demand for physicians under any form of government supported health plan which is likely to come into effect in this country. Thus, at the moment when our demand for physician services will increase, we are likely to be thrown back on our own inadequate resources for the education of this group.

Still another factor enters the situation. I shall not go into detail on this at the moment but will touch on it a little later. Medical education has been founded upon the fact that there are charity patients, and on these patients Canadian doctors have learned how to practise medicine. When health insurance is universal in Canada, charity patients will cease to exist. This will present a problem of the first magnitude in the training of physicians in this country. Under the circumstances, I hope you will agree with me that we are not educating a sufficient number of physicians.

The second question is: How does the quality of physicians produced in Canada compare with those produced in other countries? Teaching hospitals have been tremendously important in Canada's history. Apart from providing the medical student, the interne and the resident with patients over whom they could have certain responsibilities under supervision, they have been the locations in which clinical investigation has been centered. They have provided areas in which treatment methods could be evaluated under controlled circumstances. Their carefully selected physicians have been responsible for almost all the progress which has been made in medical care in this country. The physicians selected to serve on their staffs considered it to be an honour and the faculties of medicine had access to the services of these outstanding physicians for a part of each day for a tiny honorarium each year. Most of the patients in these units were charity patients from the community, referred in by the practising physician because such referral did not mean a loss of income. However, many others were the serious problem cases of the region requiring the excellent facilities and staffs provided. Truly the nerve centre of Canadian medicine has been the closed teaching units developed in our centres of medical education.

So medical education has progressed rapidly. That provided in Canada could compare favourably with that in any part of the world and as short a time as eight years ago Canadians had every reason to be proud of the physicians that were being produced in this country. However, since that time a whole series of events have entered the scene to make it difficult or impossible to maintain the standard which had been set previously. These I would like to enumerate.

First, forces have come into play which have tended to break down the strong union between the medical school and the teaching hospital. One of these forces has been a diminution in the number of charity patients

and therefore a diminution in the interdependence of the two. As a result of the growth of voluntary prepaid medical plans large numbers of people are already covered for medical care. This is particularly true in the large centres of population wherein universities and medical schools are likely to be situated. Thus the number of charity patients to be referred to the teaching unit has diminished and in many schools in Canada a very real shortage of teaching patients is developing.

A second and more sudden influence has been the introduction of government supported hospitalization. In the Hospital Insurance and Diagnostic Services Act made law on April 1, 1959, no mention was made of medical education. As a result, provincial hospital commissions have mostly taken the attitude that the additional costs of the teaching hospital, which previously had been supported by voluntary funds, were not a responsibility under the national hospital insurance agreement. Therefore, although every dollar required for the provision of routine care to the patient is provided in the main, no single penny is available for the added costs associated with medical education and with medical research. Further, the hospitals now being government supported are unable to continue their fund raising activities successfully. As a result, hospitals have not been able to continue to support medical education and medical research. The costs have been thrown back directly on the small and already strained budgets of the universities, and it is a fact that the universities have been subsidizing the national hospital insurance plan. As a result of these two influences the strong union between the teaching hospital and the medical school is rapidly breaking down in our country and producing a serious problem in medical education.

This has not been true in other countries which have embraced government support of health care. In the United Kingdom the teaching hospital is the recognized centre of the hospital region. It is accepted that its costs will be from 25 per cent to 30 per cent higher per patient-day than those of any other hospital in the region. Its facilities are greater, its staff is larger and its patient clientele is assured because it is the only hospital in the district that can look after problem cases. In Sweden, despite a prepaid system outside the hospital, the same arrangements prevail inside the hospital as occur in the United Kingdom and thus the patients and the facilities to ensure the training of physicians are assured. A second influence which increasingly enters the scene is represented by the rapidly spiralling costs of medical education. Standards are being set in other countries which our universities are desperately trying to meet without adequate sources of funds.

I have explained how in the United Kingdom the additional costs of clinical teaching are considered part and parcel of the health care plan. In the United States the solution was found in quite a different way. It was painfully obvious that medical education needed more financial support than it was receiving from the education budget. There were problems associated with federal sources of funds being granted to state supported medical schools for educational purposes. Accordingly the federal government of the United States has undertaken to support medical schools indirectly by huge increases in the grants available for medical research, virtually all of which is done in medical schools. The speed and extent of the explosion of these funds can best be illustrated by outlining the budgets for government support of medical research in the U.S.A. in the past few years. For several years, up to and including 1959, there was approximately $250 million available for support of medical research in the United States. Most of this was going to the 87 medical schools in that country. In the year 1960 this was increased from $250 million to $425 million; in 1961 it was increased to $650 million; in 1962 it was increased to $890 million, and in 1963 it is no less than $1,100 million.

After removing a significant amount of these funds to pay for the federally operated medical research laboratories in Bethesda, Maryland, and other centres, there still remains an enormous amount of money to be divided among the 87 medical schools in that country. During this year, if the money were averaged it would amount to approximately $10 million per medical school. In Canada the total sum of money from government sources available for the support of medical research is about $12 million and would provide each of our 12 medical schools, if it were evenly divided among them, with something less than $1 million per year. Thus the 12 universities in Canada which have undertaken the responsibility or the education of physicians have been desperately trying to find the funds to put their medical schools in a position in which they can compete with other medical schools on this continent. The medical schools are taking an embarrassingly large percentage of the total university budget for a very small percentage of the total students. In the University of British Columbia 9.5 per cent of the budget goes to the support of 1.5 per cent of the students who are in the medical school. Despite the heroic efforts that have been made by universities

to keep pace with what is going on in medical education in other countries, they are fighting a losing battle.

Over this long open border between the United States and Canada there is great freedom of interchange of medical scientists. Over 5,000 Canadian educated physicians are now living within that country. Most of these physicians have gone there to practise, but in recent years a much more serious trend has developed. Partly because we cannot compete either in salary scales or in working conditions, we are tending to lose more of our most able medical educators to that country. More important perhaps is the fact that with the facilities and staff that can be obtained under these very generous research grants, there are research potentials in the United States which are not available in our country. Thus the very core of our system of medical education and medical research is in danger of being lost to another country.

In recent months a new factor has entered the situation. Legislation has been enacted in the United States which provides federal sources of funds for the building of teaching facilities for medical schools in that country. Thus teaching hospitals and buildings in which the basic medical sciences can be taught will now be very largely supported from the federal government in addition to the support for the operation of these schools.

There is one other point concerning unfortunate factors which have come into being in recent years which must be mentioned. The number of individuals applying to medical school in this country fell steadily from the post-war peak to the year 1958. During the years 1955 to 1958, in particular, we were terribly concerned about our ability to fill even our inadequate number of places with reasonable students. Since 1958 there has been an increase in the number applying for medicine. However, we do not believe that this increase is the result of any change in forces that are being brought to bear on the situation. Rather it is because the post-war baby boom has reached the stage of entry to medical school, and we are simply deriving our applicants to medical school from a temporarily larger group of people who are attending university.

There is obviously more than one reason for this diminution of people attending medical schools. Fifty years ago a very high percentage of all the young people who entered university found their way into medical schools. Apart from law and the church, there were few other attractive careers available to them. Now a very small percentage of the total number of students who enter universities come to medical school. So many new attractive careers have come into being in the past half century that medicine must now make very active efforts to recruit its share of intelligent young people.

This factor has been in operation in every country in the past half century, but in our country still another factor has come into operation in recent years. Some years ago in an attempt to increase the number of individuals attracted into the physical sciences, such as chemistry and physics, the government, through the national research council, created a subsidization program. This program provides that once a good student has obtained his bachelor's degree in the physical sciences, he is supported in the amount of approximately $2,200 for whatever number of years is required to obtain his Ph.D. degree.

The future members of the health sciences of this country, the physicians and the dentists must be selected from capable young students who have shown an interest in the general field of science. However, let us compare the financial problems facing the student who wishes to enter the field of medicine with the student who wishes to enter the field of science. In most schools in Canada it is at the end of the third year of university that he must make this decision. If the student decides in favour of physics or chemistry, he has one more year in which to pay his fees at the university until he receives his baccalaureate degree. Thereafter, if he is a good student, he will receive the government subsidization program for the three or four years necessary to obtain his Ph.D. and will then be able to step into a well paid position. In contrast, the student wishing to enter medicine must pay four years of the highest fees which the university charges for the remainder of his undergraduate medical education, with no subsidization program available to help him. He must then take a minimum of one year's interneship, which would barely provide him with enough remuneration on which to subsist. If he wishes to proceed to specialty training, he will require four more years of a bare subsistence income before he can begin to go further into debt by setting up his office and awaiting the arrival of his first paying patient.

Is there any wonder that the number of individuals applying to enter medicine in Canada has diminished in recent years, and is there any wonder that this diminution in numbers is particularly notable among the brighter students who are assured of the subsidization program if they go into other areas? I think it must be made very clear that, if a subsidization program is instituted for one part of the field of science to the

exclusion of the remainder of that field, it will cause an entirely artificial emphasis on those areas which are being subsidized. I fear that, unless we do something to more nearly equalize the financial problems of higher education in these various groups, we may, 25 years from now, pay very heavily in a reduced level of medical care in our country.

To summarize our second question, after achieving an extremely high level of medical education in our country, three apparently unrelated forces have come into being in recent years which have reduced that level. These are:

1. Lack of recognition that teaching hospitals must receive a greater degree of support than usual general hospitals.

2. Rapid increase in support of medical education in other countries.

3. Subsidization of other science students in Canada.

The acuteness of the present situation can perhaps be best illustrated by events which have taken place within the past year. In the United States and Canada there is an accreditation panel for medical schools. Approximately every eight years every medical school on this continent is visited by a team of medical educators. The school is studied intensely over a period of several days. Thereafter a report is written describing the school and a recommendation goes to the association of American medical colleges as to whether this school should or should not continue to be accredited. Failure to obtain accreditation means a school really must close its doors. Because of the difference in the degree of financial support of medical schools in the United States and Canada a difficult task faces the evaluators. It is just not possible to apply to Canadian schools the same high standards as are being applied to American schools. Perhaps this is best summarized in the words of Dean Chester Stewart of Dalhousie University, in his report to the Canadian universities foundation earlier this year at the end of his term of office as president of the association of Canadian medical colleges. Dr. Stewart stated:

> It is probably well known to most university teachers that medical education in Canada has made immense forward strides. Our medical schools have become the equal of any in the world and have made outstanding contributions to the development of medical education and research. Perhaps few are aware, however, of the rapidly widening gap between progress in medical education in the United States and Canada. We would ask the Canadian universities foundation to consider the implications of what has been frankly called "the double standard of medical education on this continent", a comment by a senior member of the accrediting bodies. It would be little short of tragic if some of our Canadian medical schools were to lose their status as fully accredited institutions just at a time when there is a growing pressure for the expansion of medical school facilities in order to meet the physician requirements of this country.

I am not by nature a pessimist and I do not enjoy the role of being a prophet of doom and gloom. However, I feel strongly that if we, in our country, fail to keep pace with other countries in the support of educational opportunities in the field of medicine, we will pay a heavy price in the years ahead in the quality of medical care available to us. Immediately we will pay the price of losing our most able teachers and investigators to those parts of the world where the necessary support is available to them.

Now the final question is: What does the future hold? I think this can be answered briefly. If Canadians are to receive adequate health care in future the 12 universities that have taken on the responsibility for the education of physicians must have more assistance. I think it is appropriate that this assistance come from federal sources of funds. A medical school is much more than a local asset. Physicians travel widely both in their post-graduate training and in their subsequent locations of practice. The increased sources of funds provided to medical schools must be for three purposes:

1. There must be a very significant increase in the support of the day to day cost of medical schools. A very significant proportion of this could be taken care of by including the cost of clinical medical education in the Diagnostic Services and Hospital Insurance Act. Without increasing significantly the tremendous sums of money which are now going to the support of hospitalization, the problems of the medical schools in Canada could be sharply reduced.

2. Assistance must be provided for the development of buildings both for teaching and for research. Such assistance was recommended by Dr. Ray Farquharson's special committee two years ago. Although accepted in principle, no action has been taken by government. We do not have a single university owned and operated hospital in the twelve medical schools of our country. We are dependant upon the use of general hospitals in the communities in which the medical school is located. While this has worked well in the past, the interest of these general hospitals is increasingly in conflict with the interests of medical education, as I have tried to point out.

3. We need support and subsidization for students entering into the health science field. At the present time 84 per cent of all medical students depend largely on their parents' funds to put them through school. Approximately 20 per cent of graduate students in the fields of science depend to any

degree on parental assistance. As long as this situation exists, a proper share of the bright young minds of Canada will not be directed towards a medical career and in future the health of our country will suffer.

[*Translation*]

Mr. Pigeon: Mr. Chairman, I listened with attention to the remarks made by the President of the Privy Council (Mr. Lamontagne) who spoke, among other things, about setting up of a cabinet committee and an interdepartmental committee made up of high officials to put into force some recommendations made by the Glassco commission, even some from the Therrien minority report.

I would advise the minister not to appoint the Minister of Industry (Mr. Drury) to that special cabinet committee because recently he appointed three deputy ministers, none of whom were French speaking.

I feel, Mr. Chairman, that the civil service must give a true picture of our country, that is of its two basic groups.

Some departments require a very special attention, such as the Department of External Affairs. This department must be, at the international level, a true image of our country.

In my opinion, the greatest deficiency within the federal civil service is the lack of French speaking officials in the crown agencies. Recently, all members of the house were made aware of the situation, since it was raised during a sitting of a committee of the house. Indeed, it was noted that, among the nine directors of T.C.A., not a single one was French speaking.

As has been said, the previous government created the Glassco commission with a view to improving the public service.

I can tell you, Mr. Chairman, that when I was parliamentary secretary to the minister of agriculture, under the Tory administration, we had started jointly to apply within that department the recommendations of the minority Therrien report. For instance, the government appointed a French speaking associate deputy minister who had started taking steps to engage French speaking high officials and agricultural technicians.

I am also aware of the fact that a start was made on this in some departments, for instance, in the secretary of state department.

As Mr. Therrien said in his report, and I quote:

> French Canadian public servants cannot freely use the French language as a means of communication within the federal administration.

He also said:

> —a working and communication language which would be equal with the English language within the civil service.

I shall also quote another essential point from the Therrien report:

> Entrance examinations for candidates to positions in the public service do not conform to the French Canadian educational system, nor are they set in French by qualified French Canadians. Imperfect mastery of the English language is considered to be a shortcoming which prejudices the French Canadian candidate or civil servant.

Mr. Chairman, I think that if the Civil Service Act is amended, that is if some amendments are made, for instance, to the civil service commission examinations, in order to adjust them, not only to the English provinces educational system, but also to the French provinces system, that would give a much better chance to French speaking candidates to come and take their place in Ottawa.

I refer here to a question which was asked in the House of Commons in 1961 and which had to do with a civil service competition among students of Montreal, Sherbrooke and Laval universities. Out of 143 French speaking candidates, 18 were successful and were offered positions, but only six accepted. So, out of 143 candidates, 18 were successful and only 6 became civil servants. This is a significant spread indeed.

I have here an article from *Le Devoir* where this situation is exposed. Questions were asked to know the reasons of this massive failure.

Precisely, Mr. Chairman, it is said in this article that out of 143 candidates, 87½ per cent failed. So, one can pass a severe judgment.

Would this be due to the personal qualifications of the graduates or to the education they have been given in the departments of our Quebec universities, or would it not be that the competition is not adapted to the education system of the province of Quebec?

My opinion is, Mr. Chairman, that if we really want to attract French speaking Canadians into the federal civil service, the civil service commission's competitions must be adapted to our education system.

I believe that this is to a certain extent the stumbling block, the reason why there are so many failures among the applicants from the graduates of Quebec universities.

Indeed, Mr. Chairman, French speaking Canadians must at any rate be interested in the federal civil service. They must not be afraid to come to Ottawa to take their place. I urge the officials of the civil service commission to establish a special committee, the members of which would visit all our Canadian universities, not only those of the province of Quebec, but of the whole country, in order to explain to those who attend universities, high schools and colleges, particularly in the province of Quebec, the

importance for them to take their place in Ottawa. Such a scheme should be carried out especially in the province of Quebec.

Mr. Chairman, it is all well and good to complain and to suggest, as is done in certain quarters, that we are unfairly treated in Ottawa, but if French speaking Canadians are unwilling to make the required effort to take their place within the federal civil service, I feel we are in no way justified in casting the blame on somebody else. But, as I said earlier, a more favourable climate should be created here in Ottawa, more especially with regard to competitions.

Mr. Chairman, according to the findings of the Glassco report or of the minority Therrien report, there is a complete lack of the French element in crown corporations.

I do not ask the government to impose its will over the crown corporations, since they are independent governmental agencies which have nothing to do with politics, but I would like the minister, if possible, with all the influence I know he has, to make some suggestions to the presidents of these crown corporations in order to encourage them to make the necessary efforts, for instance, in visiting the Quebec universities, to state before the students the interest and the urgency there is for them to take their place amid the crown corporations.

Mr. Chairman, the minister, who, I believe, is well intentioned, spoke about an administration training school for federal civil servants. I would suggest he be a little more careful in that respect, since education comes under provincial jurisdiction. I wonder if he could not, using his influence, convince the premiers of the provinces, including that of Quebec, to establish a department where students would be prepared for public service, in order that they may be more anxious to come to Ottawa.

Now, I would suggest to the premier of Quebec, who sat for a long time in this house, who occupied a ministerial position, and who certainly knows the weaknesses of the federal civil service, in so far as French speaking Canadians are concerned, that he would certainly be in a position to have a special budget voted in order to create a university department to prepare French Canadian civil servants to come to Ottawa to occupy the place that belongs to them.

Mr. Chairman, I would like to resort to an article which was published in *Le Devoir* on August 19 last, to make the next few remarks. The writer of the article was Mr. Jean-Pierre Fournier. Here is what he had to say:

> Even though the administration school which the federal government intends to establish is not useless, it could not be the key to bilingualism in the public service.
>
> (1) On the one hand, the essential point is not to enable classified civil servants to acquire a fluent knowledge of both languages, but to ensure to French Canada its just representation at all levels of the civil service, based on the proportion of the French Canadian population.

Mr. Chairman, the fact of the matter is that in Ottawa, we have a problem with translators and interpreters; I take this opportunity to point out to the minister that the only way to find a sufficient number of them is to increase their salary. I suggest they be offered a more attractive remuneration, as they are hard to find. I am told they are few and far between in Canada, and that the best means to attract them to Ottawa is to offer them a higher salary.

I also suggest to the minister that civil servants in categories 1 and 2, be also granted an increase. I believe those are the only categories which have been overlooked, when the salaries of the federal civil servants were revised.

Mr. Chairman, quite recently, on October 18 last, *Le Devoir* published an article with the following title.

> Ottawa—eight civil servants denounce the fate of Quebec university graduates.

The article quoted a letter signed by eight federal civil servants. I would like the minister to check the facts pointed out by the newspaper. Could the minister tell us whether he has personally looked into the matter?

Mr. Chairman, the minister told us about forthcoming reforms. I put on the order paper a question asking how many bilingual employees worked in the Prime Minister's office. I must tell you frankly that I was disappointed when I read the answer given me. In fact, I noticed that there is great difference in the number of French speaking, and English speaking employees in the Prime Minister's office. And I ask the minister to remedy that situation so that the government itself and, therefore, the Prime Minister, will set an example to create a favourable climate and, indirectly, attract more French speaking Canadians to take their place in Ottawa.

Mr. Chairman, before closing, I ask the minister if it might not be time to study the possibility of setting up a research office for all the members of the house so that they may have all the information they need to prepare their speeches and the questions they put on the order paper or ask in the house. I know that such a body exists in other countries and I see no reason why experts should not be available to inform the members, thus helping them to make a better contribution to the debates of the house, and at the same time being of service to their country.

Mr. Chairman, I wish the minister well. The work had already been started; he showed his good faith by telling us that he wants to follow it up by carrying out the recommendations contained in the Glassco report and those in the Therrien minority report. Therefore, I wish him well, and next year, when his estimates are introduced, we shall ask him to report the progress made.

[*Text*]

Mr. Cantelon: I should like to take up a few minutes of the time of this committee, while we are discussing the estimates of the privy council, to make a proposal. First, I should like to say I am very much in accord with the suggestions made by the hon. member for Vancouver-Kingsway and by the hon. member for Queens with regard to education. On previous occasions I have made contributions to debate in which the same ideas were promulgated.

In making the proposal I have in mind, let me say at the outset that it is not put forward by my party; it is being made by myself, though I would hope my party would not oppose it. I trust, also, that this proposal would not have any tinge of partisanship attached to it. In fact, I am sure it could not succeed if it carried any such stigma. Certainly, none is intended on my part and I would hope, if the proposal were accepted, that none would be allowed to creep in. Further, may I say that the proposal is not mine. It is the brainchild of a young Saskatchewan man who believes it would be a popular and attractive way of celebrating our centenary year in 1967.

I am sure we all feel too much could not be done to emphasize the importance of our 100th birthday. But nothing seems to have been planned for one most important group—a group which is just ready to step on to the stage of life and a group which is sometimes unjustly maligned—the teenagers. It is to this group that my suggestion is directed. Baldly stated, it is that a youth parliament be held in Ottawa in the summer of 1967. Many details would have to be worked out before such a parliament could be held. We would have to decide how many delegates there should be, how they should be selected, just when and where the parliament would be held, and a great many other similar questions. Assistance could, perhaps, be given by some of our national service groups. If these groups could be persuaded to give their support it would, no doubt, mean a great deal to any such scheme.

I have here an article from the *Daily Gleaner* of Fredericton which sets down in some detail the various things which could be done in connection with this proposal, and some of the difficulties which might arise. If I might have the approval of the house I would like to have this article incorporated in the report of my remarks as they will appear in *Hansard*. I do not think I will read it, because I do not wish to take up the time of the committee by elaborating this proposal in detail.

This scheme is, perhaps, most worth while because it might show us and the people of this country the characteristic which is so strong in this group—the forward-looking idealism which in the past has so often given us an impetus for making reforms. There is already a basis for a scheme such as I have suggested, since youth parliaments are in operation now in some areas, notably in my own province of Saskatchewan. I sincerely believe that this plan is worthy of serious consideration and I therefore respectfully suggest to the Prime Minister that an appointed committee consisting of two government supporters, two from the official opposition, two from the New Democratic party, one from Ralliement Creditistes and one from the Social Credit party be convened to consider it further, and to bring in recommendations to this parliament relative to it.

Mr. Herridge: I rise briefly to support the pleas made by previous members who have spoken urging the government to give immediate and serious consideration to the needs of universities which require plant and equipment, and to the question of scholarships and loans for students.

I have been asked by graduates and students of the universities of British Columbia, Victoria and Notre Dame who are resident in my constituency to remind the government of the election pledge to provide 10,000 scholarships valued at $1,000 each. This is a pledge which was taken seriously by young people throughout the country, and by many other Canadians who are expecting the government to keep that promise. In fact, some of these young students planned their future activities in the hope of winning one of these scholarships, but I must say that what has happened so far has not justified their confidence in the promises made by government spokesmen during the election campaign.

However, in my opinion even these scholarships will not by any means meet the rapidly growing need for assistance to universities and to students. I presume that assistance to students will be of two types. First, there will be scholarships for those who are able to win scholarships and demonstrate their particular skill and ability to do so. Then I believe there should be a system of loans. I am not one who believes

that you should hand out something for nothing to young people. I believe that you value what you earn. In my view we should establish a sound system of loans available to students who have the ability to go through university and to apply that ability to university studies, advanced studies and so on.

I might say that I discussed this problem recently with a person who is very interested in education. We were considering the problem in relation to the circumstances of the country, the financial ability of the federal and provincial governments to meet these needs and the fact that this should be done on some sound basis, not just on the basis of handing out money wholesale to anybody who says he wants to attend university. This gentleman asked me to bring this point to the attention of the minister. I thought it was a rather novel suggestion. He suggested that consideration should be given to loans to students who could take advantage of such loans—there would have to be some winnowing out—and who would graduate, and as a result greatly improve their earning ability. He went on to suggest that these loans could be repaid on the basis of the government establishing an education tax of 1, 2 or 3 per cent of their income, whatever might be necessary, over a period of years in their earning life so that repayment would not be a heavy burden on them in their first earning years, but would be on a sound basis. I do not know whether consideration has been given to that sort of scheme but I suggest that it merits consideration, as well as other schemes that will make it possible for young, capable persons to obtain loans from the federal or provincial governments as the result of federal-provincial co-operation. These could be repaid in such a way that they would not constitute a great strain on them in their early earning years. With these few remarks I resume my seat.

[*Translation*]

Mr. Gregoire: Mr. Chairman, I have a few remarks to make about the estimates of the President of the Privy Council (Mr. Lamontagne).

In fact, I must tell you that before knowing him as the President of the Privy Council, I knew him most of all as an orthodox economist. It is only since becoming a member of this house and President of the Privy Council that he has directed his activity to other fields, for instance to the reports submitted by the various commissions or federal-provincial relations which, I think, come first among his functions.

I feel, however, that the Prime Minister (Mr. Pearson) was well advised to change his field of activity because in this one he can show greater efficiency than in the other.

I see that the President of the Privy Council does not seem to appreciate my qualifying his talent in economics as conventional, but it seems to me that he follows mainly the antiquated methods and doctrines of the 19th century, if not of the 18th, as far as political economy is concerned.

I have some remarks to make and I think that the President of the Privy Council is well disposed to receive fruitfully these remarks and try to find solutions to the few problems I would like to point out today.

First of all, I would like to raise a problem which I consider important. I listened last Sunday to the press conference given by the Quebec premier, Mr. Jean Lesage, during the television program on public affairs or political events of the day. I do not know whether the President of the Privy Council had the opportunity to listen to that program. He nods; he will then understand my remarks all the better. I found during the program that the premier of Quebec showed a really pitiful attitude and talked in a soppy tone. In short, he looked depressed and in low spirits after returning almost empty-handed from the federal-provincial conference.

Being aware of the legendary courage of the premier of Quebec, I thought he would soon abandon that pitiful and soppy attitude, that the reaction would set in before long and that he would deliver new ultimatums, taking a really resolute stand, in order to get what the province of Quebec claims, faced with its priority needs.

I suggest that the President of the Privy Council should not wait for that reaction to set in but that he should undertake an open-minded examination of Quebec's requests and problems and, as the hon. member for Villeneuve (Mr. Caouette) would say, to consider in a more broadminded spirit the problems which interest both the provincial and federal governments and to accede to Quebec's legitimate requests.

If the President of the Privy Council looked at that program he must have noticed that the Quebec premier looked depressed and beaten. I hope he will react and show more firmness than he did in the past because when he starts changing the word "demand" for "request" or "require" his most simple requests remain unsatisfied. It is inferred that in order to obtain something from the federal government, a firmer stand must still be taken.

I ask the President of the Privy Council who is, I believe, a friend of the Quebec premier and who understands, not only the requests of that premier, but also those of

all the people in Quebec, to help find a solution to those problems by meeting the priority requirements of the province of Quebec.

Mr. Chairman, I do not think that the province of Quebec, especially after the reaction felt among the public following Ottawa's refusal to comply with its requests, will tolerate much longer to be treated as it was at the last federal-provincial conference. The general disappointment which was noted among the people is an indication that the province of Quebec will no longer tolerate its requests being turned down.

Another point which, in my opinion, comes under the President of the Privy Council, and for which he should make claims and use pressure, is the statement made yesterday or the day before by the mayor of Ottawa to the effect that Ottawa is and will remain an unilingual city.

As we are in the city of Ottawa, I feel we have the right to speak French in this city. People are talking of bilingualism, but this should not stop there, it must become a reality, without it being necessary to ask permission from the Ontario government. Considering the importance of the city of Ottawa in the country, since it is the capital and the seat of central government, where French speaking as well as English speaking members of parliament sit, we must see to it that everyone feels at home here and is welcomed by persons having a sense of hospitality.

When we talk about bilingualism, we do not seek to take away anything from other people; we merely want for everybody the right to speak his own language. Now, in the federal capital, we would not like to be deprived of this right.

I would describe the mayor of Ottawa as a female tyrant.

An hon. Member: It is true.

Mr. Gregoire: I may say that I was very happy to see that the English speaking newspapers condemned her backward attitude. It obviously indicates that the English speaking press understands the situation and, more rightly so, the nation's capital ought to proclaim itself a completely bilingual city, since citizens representing ridings all over the country live there. I shall add that when the mayor of Ottawa comes in the province of Quebec, she is welcome, she may speak her own language, she is understood in her own language, because, in the province of Quebec, we are happy to receive her in a bilingual fashion. Let her do the same thing in the country's capital.

I recognize she may have some inhibitions which lead her to vent her spleen occasionally. In my opinion, she could have vented her ill-humour on another matter. There is precisely an opera aria which is entitled "La donna e mobile" or "Like a Feather in the Air". I believe that on the subject of bilingualism, the mayor of Ottawa could be more serious and stop going around "like a feather in the air", as is said in that famous opera by Verdi.

Mr. Chairman, I would now like to touch on a point which gave rise to several remarks in the Canadian press recently, that is, the presence of the president of Trans-Canada Air Lines at the meeting of the parliamentary committee on railways, air lines and shipping. In my opinion, this is in order, since the subject concerns the question of relations between the two great nations which form this country. In that respect, I would like to make a correction. There is no question of blaming the president of Trans-Canada Air Lines for his attitude towards bilingualism in the country. On the contrary, I believe it is in Trans-Canada Air Lines, among all the crown corporations, that bilingualism is the most respected.

The ratio maintained at T.C.A., that is 28 per cent of the employees being French Canadian or bilingual, would seem acceptable to me. Mr. McGregor stated the other day a commendable fact when he said that for the last year, no employee who has to come in contact with the public has been hired unless he was bilingual, that is able to be understood by the two great nations living in this country. I have no fear in saying that we must encourage Mr. McGregor and admit that he possesses a real sense of bilingualism. Indeed, within his corporation, nothing suits him better than to meet his obligation in that field.

But he is blameworthy on another point, that is for his adamant attitude in hiding from Canadians facts which they have the right to know. In view of the unkind remarks by the president of T.C.A. for the Sud-Aviation Corporation and the Caravelle aircraft, people are justified to ask why they refuse to build that aircraft in Montreal, thus enabling Montreal workers to earn a livelihood when there is unemployment.

In fact, the experts' report seemed to have been brushed aside. We do not object if workers are employed at the general maintenance base in Winnipeg, if Winnipeg workers earn a livelihood, but we wonder why a report by experts is brushed aside when a French aircraft is involved, when Montreal is concerned. We are given no reason, no argument. They refuse to produce the report and they are unkind and even unscrupulous towards the Sud-Aviation Corporation.

Montreal workers are not given satisfaction and that is what the people of the

province of Quebec cannot tolerate. How come the public is not allowed to examine the report? Security is given as a pretext while nowadays, all over the world, in South America as well as in Europe, people never cease praising the qualities of that aircraft in terms of security and they even go as far as saying it is the safest aircraft in the world at the present time. We are given no reason and we wonder whether it is not a matter of favouring the United States.

That is the opinion among the people of Quebec and it is derived from the evidence given by Mr. McGregor concerning the purchase of new airplanes.

[*Text*]

Mr. Churchill: Mr. Chairman, I am rising on a point of order. It is impossible for me to relate these remarks to the estimates now under consideration. I wonder if the Chair would rule on this point?

The Deputy Chairman: Order. I have been listening to the hon. member for Lapointe and I do feel he is not remaining very closely with the estimates now under consideration. I would hope, if he is going to continue his remarks, that he would try as far as possible to stay within the limits of this department.

[*Translation*]

Mr. Gregoire: Mr. Chairman, I thank you for that information. I shall come back now to the estimates of the President of the Privy Council, because federal-provincial relations fall within his jurisdiction, as is also the case for the inquiry on biculturalism.

I feel it is my duty to point out to the President of the Privy Council, that federal-provincial relations will be friendly and that our culture will blossom freely only if there is harmony between all the regions of this country.

While I am on that point, Mr. Chairman, may I state that, in the face of interference tending to favour a given province, to the prejudice of another, where unemployment is worse—and I am thinking of the case of Trans-Canada Air Lines—we must expect people to wonder what are the reasons for such happenings.

Mr. Chairman, this brings my remarks to a close. I am sure that the President of the Privy Council knows all about the present problem. I think he will find the necessary solutions in the field of federal-provincial relations, and, more particularly, as far as the "bonne entente" between our two ethnic groups is concerned. We must see to it that each of these groups develops, blossoms out and improves by means of its own, while retaining harmonious relations with the other group.

Mr. Chretien: Would the hon. member for Lapointe allow me a question?

Mr. Gregoire: Certainly.

Mr. Chretien: In the first part of his speech, the hon. member dealt with provincial politics and the nature of the meeting which he held in Donnacona over the week end. Could the hon. member for Lapointe tell us whether he suggested to Mr. Gerald Martineau in which constituency he should run at the next provincial election?

Mr. Gregoire: Mr. Chairman, I have never met the person mentioned nor talked to him. However, Mr. Chairman, the hon. member for St. Maurice-Lafleche has to take his orders from those who contribute to the election fund; as for myself, I do not even have to bother about that, but he is on his hands and knees before the treasurer of his party.

[*Text*]

The Deputy Chairman: Order. Will the hon. gentleman resume his seat, please.

When the hon. member for Kindersley was making his remarks a few moments ago he requested that there be included in *Hansard* a short article from a newspaper. His request was not heard by me, but I understand the transcript of his speech shows that he did ask for permission to do this. Would the committee now grant permission to the hon. member to have included in his remarks this very short article?

Some hon. Members: Agreed.

Mr. Churchill: No, Mr. Chairman. I would like to agree to the request of the hon. member for Kindersley, and I heard it when he was making his speech; but I think the precedent that would be set by this would not be tenable in the future. Newspaper comment can be summarized or read into the record, but simply to hand to the *Hansard* reporter material of that nature is, I think, not at all customary in the house and is something we would have to guard against very carefully.

The Deputy Chairman: Perhaps I could explain to the hon. member that the short article was an explanation of the plan which the hon. member was presenting, and I presume that if permission had not been granted by the committee, he would have read or summarized the article.

Mr. Churchill: I regret, Mr. Chairman, that we did not deal with this request at the time. I was not aware that the chairman had not heard the request of the hon. member. But if we grant this request, how then can we refuse others who may make similar requests in the future? Perhaps if the hon. member speaks again, as he would have an

opportunity to do, he might summarize this article and make sure that his statement is in *Hansard*.

Item agreed to.

40a. Expenses of the royal commission on taxation, $250,000.

Mr. Lamontagne: Mr. Chairman, I may appear at this stage to filibuster my own estimates, but I promised some weeks ago to make a statement on centennial agencies and centennial projects and programs. I believe this kind of statement will be useful at this stage, not only to members of the house and members of this committee but also to the population in general. I want first to deal with the centennial agencies. It may appear to the casual observer from this point of view that there is a surfeit of organizations, agencies and structures throughout Canada for planning the centennial. This may be a legitimate complaint at the moment, but I believe that once programs begin to emerge involving the three levels of government and private organizations in every part of the country, these agencies will each find their role and serve their purpose as they are meant to.

In the private sector, the Canadian centenary council has been established "to stimulate interest and to educate the Canadian public for appropriate observances of the anniversary of confederation in 1967 by encouraging, undertaking and assisting centenary projects of a lasting and beneficial nature to the community". I have quoted from their constitution. This Canadian centenary council is a purely private and voluntary body which is designed to work in close co-operation with private organizations while maintaining close liaison with government agencies. I am convinced that the council will play a most useful role in the preparation of the centennial celebrations, as I said in a recent letter to its president, Dr. Norman MacKenzie. I would like to quote briefly from that letter:

—the Prime Minister and all members of the government are in full agreement about the importance of thought and action directed toward the centenary by individual citizens and by their many private organizations...

For maximum effect these efforts of Canadian citizens and Canadian organizations must have a focal point, a centre for clearance, for planning and for the exchange of views and experience. Outside the national centennial administration, which is the federal agency established by law for the purpose of planning the centennial with a national approach, the Canadian centenary council represents the only national voluntary organization whose sole purpose and object is to further centennial planning...

We have been pleased to note not only the existence of the Canadian centenary council, and its accomplishments during the past few years, but also its record of working effectively and harmoniously with the organizations established for the centenary by the government. The federal government invites the Canadian centenary council—

The Deputy Chairman: Order. I wonder if the minister is speaking on vote 40a, or is he on vote 45?

Mr. Lamontagne: I thought it was 45a, Mr. Chairman.

The Deputy Chairman: No, we have not yet reached vote 45a.

Item agreed to.

National centennial administration—

45. General administration, $250,000.

Mr. Lamontagne: Thank you, Mr. Chairman. I want to finish quoting from the letter to the president of the Canadian centenary council:

The federal government invites the Canadian centenary council to continue to work closely with the national centennial administration.

In the private sector all across the country voluntary associations, agencies and corporations are developing centennial programs. It is not the size of the project that counts. Some of them will be small by force of circumstances, but it is the total and the quality that count. I am informed that many of these voluntary programs, large and small, are already in operation.

In the public sector, a great number of municipalities have already set up local centennial committees and we hope that every municipality in Canada will have its own local committee in the near future. All provinces have designated a minister to be responsible for the centennial celebrations and most of them have set up their own provincial agencies. At the federal level, the government has constituted a cabinet committee on the 1967 program and an interdepartmental committee of officials which will coordinate all the activities of the different federal departments and agencies directly or indirectly related to the centennial celebrations.

The national centennial administration is the central federal agency charged with originating, developing and implementing projects and programs as approved by the governor in council. It has a specific responsibility for centennial projects which it will undertake itself within its own terms of reference, but it is also the agency of the federal government charged with the responsibility of implementing the federal program of grants for local centennial projects in collaboration with the provinces. Finally, it will play an important part in advising other federal departments and agencies on centennial projects conceived and developed directly by these

departments. The national centennial administration is a crown corporation with a commissioner, a deputy commissioner and eight directors who were appointed in January, 1963. Since May of this year, the administration has been busy recruiting government personnel for the tremendous task ahead and developing these projects and programs.

Finally, there are two liaison agencies. The national committee on the centennial is responsible for liaison at government level. It is composed of two federal ministers and ten provincial ministers responsible for the centennial celebrations and their advisers. In other words, this national committee is a federal-provincial conference on the centennial. The national committee met in October of this year for the first time since 1961 and will meet again in the middle of December.

The national conference on the centennial is an over-all advisory and liaison agency which consists of 20 representatives, whose nominations were proposed by the provincial governments themselves, and of 40 members at large representing the different segments of the Canadian population. In addition, representatives from the Canadian centenary council and from youth movements are invited as observers. The national centennial administration provides its secretariat and its staff.

The national conference met for the first time in the middle of October this year in Ottawa. This meeting was, of course, of a preliminary nature. The general aspects of federal-provincial programs were reviewed and other centennial projects were also discussed. A steering committee was set up to act in an executive capacity. This committee met in November to prepare the next meeting of the conference which will be held in Ottawa next week.

This administrative set-up, with its various agencies, may seem to be unduly complicated and cumbersome. I believe, however, it reflects the character of our country with its federal structure and its sparse population distributed over a wide territory. I can assure hon. members also that everything will be done to avoid duplication and overlapping between these various agencies.

I should like now to report briefly on the centennial projects and programs which are under consideration at the present time. This report will be limited to those projects and programs which are directly connected with the federal government. They can be divided into two categories, capital works programs and other projects. The federal government will participate in financing or initiate three different capital works programs.

First, the federal government is offering assistance to local or regional capital works projects. Federal grants are distributed through the national centennial administration and paid out of the national centennial fund. They are subject to varying conditions. First, an application for a federal grant, if it is for a local centennial project, must be made to the province. Second, the province must approve of the project and must assure the national centennial administration that two thirds of the cost will be met jointly by the province and the initiating agency. Third, the national centennial administration will pay up to one third of the estimated cost of approved projects, the grant being made to the province. Fourth, a project which is eligible for other forms of federal aid will also be eligible for a centennial grant, provided that the aggregate federal contribution does not exceed 50 per cent of the cost. Fifth, the total amount available under this program will be one dollar per capita of the province based on the population on June 1, 1963. Sixth, the projects must have a reasonable prospect of being completed by the time of the centennial observance. Seventh, anticipated revenue from the project will be taken into consideration in determining the amount of federal contribution.

A project must be of a lasting nature and might include, for example, acquisition and construction of buildings, parks and other capital works; the acquisition of buildings of historic or architectural merit; the restoration of buildings of historic or architectural merit; the writing and publishing of books; the composition of musical works, and the creation and completion of painting, sculpture and other works of art. However, it does not include any part of pageants or celebrations or administrative expenses of local committees.

This program will be implemented within the framework of specific federal-provincial agreements. The terms and conditions of these agreements have already been discussed in detail with all the provinces. Copies of the proposed agreements have been sent to the provincial governments several weeks ago. Four provinces have signed this agreement and others are expected to do so before the end of this year.

Thus, there will be no direct federal assistance to local or regional centennial projects of the capital works type. All requests for aid concerning such projects must be sent to provincial governments or to their centennial agencies rather than to the federal government or the national centennial administration.

The second program involving federal participation concerns provincial capital works projects. The federal government has agreed to pay 50 per cent of the cost of two buildings which will commemorate the two conferences held in Charlottetown and Quebec city in

1864. It is anticipated that early in May 1964, the Fathers of Confederation Memorial Building, Charlottetown, which is jointly financed by the federal government and by the ten provincial governments, will be completed and ready for use. This building will play a very important part next year in the special observances of the centennial of the 1864 confederation conference.

Another building for the performing arts will be erected in Quebec city to commemorate the Quebec conference. Construction work will begin next year. A special program of celebrations to commemorate those two historic conferences will be announced shortly.

Finally, the federal government will undertake a special building program in the capital district which will help to improve the cultural life and institutions, not only in the area but in the whole country. This program will include the national library and archives building, the national museum building, the redevelopment of confederation square, including possibly a convention centre and auditorium, and the restoration of the Thompson mill at Victoria island. Finally, the establishment of a national centre for the performing arts is under active consideration by the government.

The federal government is also developing another kind of program designed to prepare for, to celebrate or to commemorate the centennial. The acquisition and construction of buildings, parks and other permanent capital works will be excluded from this program. Eligible projects will be partly or wholly financed by the federal government and will have to be of a national or interprovincial character.

In order to celebrate the centennial, we must prepare for it. This means that Canadians, especially young people, must improve their knowledge of Canada and her history. We hope that Canadian teachers, especially in the field of history, will intensify their efforts in this respect. Beginning early next year, we intend to work in close co-operation with Canadian newspapers and magazines, as well as with our broadcasting networks and film producers to initiate special projects with these organizations if necessary in order to create greater interest in the centennial and its celebrations. We will also begin in 1964 to participate financially in an expanded youth travel and exchange program in collaboration with existing private organizations. We hope also Canadians, instead of criticizing what is done or not done in preparation for the centennial, will continue to send suggestions and proposals to the national centennial administration in Ottawa or to the Canadian centenary council or to the appropriate provincial authorities.

The preparation for the ceremonial program or the so-called birthday party has begun. Such projects as the confederation caravans, floating exhibits and a military searchlight tattoo are under consideration. Other projects for the centennial celebration are also being considered, such as a special travel program with particular emphasis on young Canadians, a series of international events to take place in Canada in 1967, an international and a national festival for the performing arts which would tour the main cities of our country.

In addition, other projects which would not only contribute to the celebration of the centennial but would also have a lasting value in commemorating the Canadian confederation are under study. They include such projects as a series of films on Canadian history, including a colour film on ethnic groups, the collection of basic documents on Indian history and culture to serve as source material, a centennial volume covering the Canadian centenary to be used by the dominion bureau of statistics, special editions of the Canada Year Book and the Canada Handbook, a definitive edition of the debates of the House of Commons from 1867 to 1874, a new edition of Canadian ministries since confederation, a biographical dictionary of all members and Senators since 1867, the papers of Canadian prime ministers commencing with Sir John A. Macdonald and Sir Wilfrid Laurier, a bibliography of Canadiana between 1867 and 1900, a series of lectures by distinguished personalities from abroad under the auspices of the national gallery, a possible new general issue of stamps for 1967 incorporating a centennial symbol, the establishment of a national symphony orchestra and of two national theatre groups, the sponsorship of national amateur festivals. Other suggestions are under review; a special coinage issue and medallions for school children, the commissioning of works of art, a Canadian anthology recommended by the Canadian authors association, a proposed youth parliament, as mentioned this afternoon, representative of all the constituencies of Canada to meet in the House of Commons. Finally, the Department of External Affairs is also considering special programs which would come under its direct responsibility.

We must try to make the centennial available to the maximum number of Canadians throughout the whole of Canada. This is why we are featuring exchanges and portable exhibits and encouraging Canadians to travel at home. We propose to do our best within the bounds of the sensible and practical to bring the centennial to the people of Canada.

Those are some of the projects which have been decided upon or are presently under active consideration. Some of these projects will be changed and reshaped or even replaced by others as the order of priorities is reassessed. Undoubtedly, other worth-while projects will be added to this list as our discussions and our work progress. I will be pleased to report to the house on projects and programs related to the centennial from time to time as decisions are reached.

This short report clearly indicates how the government intends to prepare and to celebrate the Canadian confederation centennial. We wish this great historical event to serve the purpose of proving as well as enhancing the Canadian people's cultural life.

Canada has made remarkable progress during the last century from the economic and even from the social standpoint. Previously to 1867, our country was made up of economically stagnating regions. Today, we are one of the wealthiest nations in the world. However, progress in our cultural life has not matched our economic and social progress.

Such a lack of balance brings to our mind the thought expressed by the French philosopher, Henri Bergson, as regards the whole modern world. Here is what he said:

> Nature, in giving us an essentially active mind, had thus intended for us a certain development. But machines running on fuel, coal and white coal, and converting into motion potential energies accumulated for millions of years, have finally given to our system such tremendous expansion and power, which is so disproportionate to its size and strength, that surely nothing of the sort had been anticipated in the planned structure of our species...Now, in this inordinately expanded body, the soul remains what it was, too small now to fill it, too weak to direct it. Hence, the vacuum between body and soul. Hence, the formidable social, political and international problems which are so many indications of that vacuum and give rise, in order to fill it, to so many disorderly and inefficient efforts...The enlarged body calls for a greater soul.

Since 1867, our country has expanded physically and materially at an increasing rate. It now seems to be calling for a greater soul. It will achieve this only if it intensifies its cultural life, feeding its two main cultural streams and getting them to meet more often.

That is the major purpose the government of Canada would like to achieve for the centennial celebrations in close co-operation with the provincial governments, the municipalities, the leaders in the private sector and the greatest possible number of citizens.

If we succeed in giving to several of our cities suitable art centres, if we succeed in making of the Ottawa-Hull area a national centre where our two main cultures will be able to express themselves and to meet with the best they have to offer, if we succeed in creating at least two national theatre groups, an orchestra, a ballet company, encouraging our artists to a greater extent, giving our young people the opportunity to meet and know their country better, if we succeed in knowing our history and background better thanks to the work of our researchers, we will be able to celebrate the centennial with a light heart, because we will have taken advantage together of this unique opportunity to give a new impulsion, a new start to our cultural life, to give a greater soul to our country.

There is little time left to prepare the celebration of the centennial of confederation but it is not too late, fortunately, if all men of good will agree to co-operate and work hard. The present government itself has not lost time and is now ready to carry out the various projects.

The national centennial administration is well established and will soon be able to operate fully. The national ministers' committee has been revived recently; the national conference has been established and will soon be divided into special committees. Those two agencies will meet again next week in Ottawa.

It remains, however, that the federal government cannot do everything by itself. The provinces, the municipalities and the leaders in the private sector will also have an important role to play.

In the last analysis, the success of the centennial celebrations will depend on the Canadians in general, on the interest they will take in them and on their active participation. We must therefore all work together so that 1967 will become a new start towards our destiny.

[*Text*]

The Deputy Chairman: The hon. member for Kindersley.

Some hon. Members: Hear, hear.

Mr. Cantelon: I appreciate that applause, especially since I rise to correct a mistake made in the course of my address earlier this afternoon. It had been my intention, when I spoke then, to ask for the inclusion in the report of my remarks of an article which appeared in the *Daily Gleaner* of Fredericton, but I am afraid I did not go about it in the right way. So, with the indulgence of the committee, I would like to read that article now because I think its terms will be helpful to the committee in considering the proposal I made.

> William S. Fair, 23, came to Ottawa this week to see political leaders and government officials about his proposal that senior teen-agers be selected from each federal constituency to come to Ottawa and hold a mock parliamentary session.

The politicians and centennial planners see some merit in the idea from several angles—promoting good citizenship, giving young people a special role of their own in the centennial and marking the 100th birthday of confederation.

However, the politicians and some of the centennial planners also see in Mr. Fair's plan some political pitfalls.

For one thing they wouldn't be entirely happy about having the members of the youth parliament chosen in election contests with parties run under the labels of national political bodies. The planners would be fearful of having such organizations as the youth branches of the Liberal, Conservative, New Democratic and Social Credit parties take over.

I should like to say, as an aside at this point, that I would quite agree with them.

One suggestion is that elections might be held on the basis of new, fictitious parties, or parties not now active in national political affairs.

Another point of concern is: What would the youth parliament debate? What bills might it pass? What stands might it take which might prove to be distinctly embarrassing to the government of the day in 1967?

The politicians expect another general election to be held between now and the centennial year—or, if not, in 1967 itself.

Ottawa feels the project will need the sponsorship of some national body, such as a service club with branches in all federal ridings, to handle financing and organization.

It will also need endorsation by the government and the national centennial planners. Mr. Fair has suggested that Prince Charles might open the youth parliament session in the Senate chamber—as his mother did with the Canadian parliament in 1957—and that the sessions be held in the Commons chamber.

Though it is obvious that the suggestions made in this newspaper article are merely flying kites, I think they are worth quoting in connection with what I said earlier, because the article does give some idea of the objections which might be raised as well as some indication of what might be done in order to make the plan efficient and successful.

I appreciate the observation by the President of the Privy Council that it is intended to make the centenary celebration as widespread as possible. In this connection, a youth parliament, with its membership drawn from all parts of Canada, would seem eminently to fulfil that objective.

Mr. Olson: I listened very carefully to what was said by the President of the Privy Council as he outlined various projects planned to celebrate Canada's centennial which are now being considered, or which are under way. I should like the hon. gentleman to know that I, along with I believe most members of this group, would support many of the general proposals he has mentioned, and even a number of the specific undertakings to which he referred, including the restoration of the confederation buildings in Charlottetown, the building of some type of centre in Quebec city to commemorate the conference which was held there, and so on.

However, I am a little concerned about the omission of any special project to commemorate the date when two of the most important provinces in Canada actually entered confederation. I refer to 1905 when Alberta and Saskatchewan came in. There are other dates, of course—the dates when British Columbia and Manitoba joined confederation. I would think that on Canada's 100th birthday some consideration might be given to special projects commemorating these dates. I did not come prepared with any suggestions, but these came to mind while I was listening to the minister's remarks. Perhaps the federal government could undertake to build a second trans-Canada highway through these provinces and call it confederation highway. Or the federal government could undertake to build a large storage dam in the upper reaches of the South Saskatchewan river, a dam which would be a benefit to all the provinces of western Canada. I bring this up because there seems to be a lack of any provision to commemorate the dates when these other provinces came into confederation.

Mr. Churchill: I just want to say these words. We are abstaining from extensive comment on the progress report given by the President of the Privy Council, because there will be plenty of opportunity next session to deal with this particular subject at some length.

We welcome this progress report. It indicates that the centenary committee is very busy. We are glad it is so active. As the minister has said, all manner of suggestions may be made to that committee, and all will receive thorough consideration.

Item agreed to.

Emergency measures organization—

15. Administration and operation, $1,463,000.

Mr. Lamontagne: I imagine the leader of the house may have a word or two to say at this point. But if it is acceptable to members of the committee, this special vote could be taken up when the estimates of the Department of Industry are before us.

Mr. Pickersgill: There are only a few minutes remaining to us now and it seems hardly worth while starting the estimates of another department. If there is any member who would like to say something about this subject between now and the time we adjourn the committee would, no doubt, be glad to hear his comments. I asked my colleague the Minister of Industry to come down but I am not sure if he is available.

Mr. Lamontagne: He is.

Mr. Churchill: I hope the Minister of Industry does appear, to give us a report on this particular field of activity, because it is one which is of great interest to the people of Canada. I express regret that the Prime Minister has not continued to accept responsibility for this organization, as was done formerly, because these arrangements do affect the security of Canada and of the people who live within our boundaries. This is a matter of major importance.

The minister has now appeared and, having saved him by making those brief remarks, I will give him an opportunity to make a report.

Mr. Drury: The report will be, by reason of the hour, relatively brief. These estimates, as members of the committee know, were prepared a year ago. They appear as a section of the privy council office estimates contained in three votes, numbers 15, 20 and 25. In the meantime, the present government arranged for the emergency measures organization to become a separate agency responsible through its own deputy head to me as minister. At the same time, the administration of the civil defence college at Arnprior was transferred to the emergency measures organization. Since estimates for the college had been prepared by the Department of National Health and Welfare, it was deemed appropriate for the minister of that department to deal with those estimates for this year.

The objectives of civil emergency planning may be put as follows:

1. To aid our people directly and through measures taken by government at all levels better to endure the effects of nuclear war, if it should occur, so that greater numbers would survive and more of the necessary items of supply remain to meet their needs.

2. To add to the capability of Canada to meet the requirements of a modern conventional war, remembering that such a war may well place extremely severe and unique demands upon all of us and that, among other unusual conditions, there would always be the possibility of rapid escalation into nuclear war.

3. To reduce as far as possible the losses in life and property occurring because of natural disasters affecting Canada.

In the period since I have been responsible for this work I have had some opportunity to review it. One is impressed with the marked advance in civil emergency planning in the last few years made by the provinces of Canada. Several of them have given it attention to a degree quite unknown before. They tend to stress the need to prepare for natural disasters as well as for the major hazards of a possible war. They agree that these are all risks that we must recognize and that this sort of insurance is but prudent.

Vote 15 covers administrative costs of the emergency measures organization. The total staff is modest in size, numbering at present less than 100 persons, including the staff of the ten regional offices. Vote 20 includes the program for the provision of radiac instruments to measure wartime fallout and to enable forecasts to be made of impending danger to the people from this hazard. This is a program of shared costs with the provinces. Vote 25 reflects the importance of provincial and local government programs in civil emergency planning. It provides for federal financial assistance to provinces and municipalities up to 75 per cent of their costs.

Civil emergency planning, at least at the modest degree and at the level of costs we have provided in Canada, appears to be sensible. The Cuban crisis last year emphasized fully the need for instantly available emergency measures at such a time. Continued attention is required as part of our national and international effort. Civil emergency planning is part of our total defence. It merits a suitable portion of our attention, effort and money.

Mr. Churchill: Mr. Chairman, this is indeed a brief report on a very important field of activity, but I think the house is glad to have had a report. Emergency measures work in Canada has now been going on for about 13 years and, as the minister pointed out, with increased emphasis during the last several years. The response by the provinces is very gratifying indeed. According to the latest issue of the emergency measures digest, as it is called, quite a substantial number of people have received training in various aspects of survival operations, which is very much to the good. The more widely knowledge is spread with regard to survival operations the better because, as the minister pointed out in a speech he made in October, some sentences of which he could have repeated here, we have to be on our guard. I am going to repeat two or three of those sentences which are taken from an address by the minister in October, 1963. He said:

> There is no guarantee, whatever we may hope, that the present mild international climate will not degenerate again into freezing weather, with or without warning. Nuclear war remains a possibility, a remote one perhaps but nevertheless a worrisome one; and as long as this condition persists, we must continue the effort to improve our chances of surviving. In short, the civil emergency preparedness program is an insurance policy. As with other forms of insurance, there will be no regrets if we never collect on the policy...

That is a quotation with which I am thoroughly in accord. This is a form of national insurance. It is a field of activity in which every Canadian should be interested. I do not think we should take the point of view that nothing can be done in the event of nuclear war. I think that is wrong. I do not think we should take the point of view that civil defence measures are an indication that a nation can endure a nuclear war. I heard that doctrine advanced just the other day. I think that is wrong. I think it is just sound common sense to be prepared for emergencies. We do so through our defence operations in order that if conventional or nuclear war breaks out we will have forces ready to take action; but under modern conditions the civil population must be prepared for survival operations, even if it is a war after the fashion of the second world war, with the awful destruction that was caused just by the conventional weapons of that period.

So it is sound common sense to have an emergency measures program, and even if it has not gone too well in some areas this is no excuse for not continuing the program on a national scale and with the co-operation of the provinces. A debt of gratitude is due to those people, the director and his staff, who have carried on during the past several years without any particular public recognition or any particular blare of trumpets, because this is a field of activity in which some people are interested and some are not. Nevertheless it is vital to Canada's welfare and I hope that it will continue without abatement so that we are ready for any emergency whatsoever.

I have one note that is not quite in keeping with all that has gone before. I had an argument with the Minister of National Defence as to the role of the militia with regard to this particular problem, and I presume I will have to wait until he reappears with his estimates to conclude that debate. I think he suggested that the minister reporting for emergency measures might have something to say about the role of the militia, but I would prefer to have it right from the mouth of the Minister of National Defence himself; so I will not press the minister, who perhaps has too many other things to do than to carry part of the burden for the Minister of National Defence.

Item agreed to.

The Deputy Chairman: This completes the estimates of the privy council.

Resolutions adopted in committee of supply this day reported and concurred in.

Business of the House

BUSINESS OF THE HOUSE

Mr. Churchill: I would like to ask the house leader to outline the business in front of us as far as he can go, with the hope that we will be able to complete this session and prorogue not later than the twentieth of this month. So far as we are concerned, the eighteenth would be even more satisfactory. We have now had two or three quiet days, so will the house leader produce some victims for slaughter?

Mr. Pickersgill: As a matter of fact, sir, I do not like the idea of the last observation of the hon. gentleman in the context of what I am about to announce, but it was understood that we would take the estimates of the Department of Agriculture tomorrow. When they have been concluded and the carnage is over, the Postmaster General is only too ready to enter the slaughterhouse.

To take a more serious note, before we do either of these things I think my hon. friend, the Minister of National Health and Welfare, would like to move third reading of her bill tomorrow, which I hope will take a very brief time indeed because, as the hon. member for Perth pointed out, it is very important it should pass and get to the other place.

On Friday we would like to begin the day with the estimates of the Department of Justice, which have already had quite a thorough going over, and therefore should take a brief time. Then there will be the Department of Northern Affairs and National Resources, and after that various other departments which I will discuss with hon. members opposite; but we would not take any other new departments.

I believe, sir, and I come now to the really important point, that there would be agreement, and that an order to that effect might be made now—and I believe this from the consultations I have had—for the house to sit on Saturday from eleven o'clock in the morning to 1 p. m., and from 2.30 in the afternoon until six o'clock, and it should be understood that the rules that apply to Friday would apply to that Saturday, except of course that we would not have a private members' hour from five to six.

If this is agreeable to the house, then on Saturday we would begin with the estimates of the Department of Citizenship and Immigration, which would be the only new department available. I hope the house would be agreeable to my arranging what other departments could be brought on after that. Perhaps the Minister of National Health and Welfare might be available. In any event, I think we could find plenty to do.

Supply—Items Passed

The Acting Speaker (Mr. Batten): Is it agreed that the house will sit on Saturday from the hour of eleven o'clock in the morning to 1 in the afternoon and from 2.30 to six o'clock?

Some hon. Members: Agreed.

Mr. Knowles: This is in accordance with the understanding we have had. We were anxious that if we sat on Saturday we would deal with a new department. The department that has been suggested suits our purposes, and on this basis we are prepared to agree and let it become an order of the house.

Mr. Olson: We in this party also agree.

Mr. Churchill: For the record, we have been in agreement for a long time to extend the hours and get on with the business.

Mr. Pickersgill: The hon. member for Winnipeg South Centre becomes more and more agreeable as Christmas approaches.

It being eight minutes after seven o'clock the house adjourned, without question put.

[The following items were passed in committee of supply this day:]

PRIVY COUNCIL

1. Payment, notwithstanding anything in the Financial Administration Act or the Senate and House of Commons Act respecting the independence of parliament, to each member of the Queen's Privy Council for Canada who is a minister for whom no salary or allowance in addition to the allowances under section 33 and section 44 of the Senate and House of Commons Act is provided (the acceptance of which shall not render such member ineligible or disqualify him as a member of the House of Commons) of a salary of $7,500 per annum and *pro rata* for any period less than a year, $7,500.

Privy council office—

5. General administration, $746,200.

5a. General administration, $10,000.

Prime Minister's residence—

10. Maintenance and operation, $24,500.

Special—

30. Expenses of the royal commission on health services including the payment, notwithstanding the Civil Service Act, of honoraria or allowances as may be authorized by the treasury board to officers, clerks or employees permanently employed in the civil service for services rendered by them to the commission, $275,500.

35. Expenses of the royal commission on banking and finance including the payment, notwithstanding the Civil Service Act, of honoraria or allowances as may be authorized by the treasury board to officers, clerks or employees permanently employed in the civil service for services rendered by them to the commission, $199,300.

40. Expenses of the royal commission on taxation including the payment, notwithstanding the Civil Service Act, of honoraria or allowances as may be authorized by the treasury board to officers, clerks or employees permanently employed in the civil service for services rendered by them to the commission, $981,800.

40a. Expenses of the royal commission on taxation, $250,000.

42a. Expenses of the royal commission on pilotage including the payment, notwithstanding the Civil Service Act, or honoraria or allowances as may be authorized by the treasury board to officers, clerks or employees permanently employed in the civil service for services rendered by them to the commission, $301,220.

Emergency measures organization—

15. Administration and operation, $1,463,000.

20. Construction or acquisition of buildings, works, land and equipment including authority to make recoverable advances not exceeding in the aggregate the amounts of the shares of the governments of the provinces of the costs of joint programs, $2,420,000.

25. Grants to provinces and municipalities for civil defence and related purposes (formerly provided under Department of National Defence—comparable amount in 1962-63, $4,800,000), $5,300,000.

Special—

National centennial administration—

45. General administration, $250,000.

45a. General administration, $175,400.

50. Programs and projects of national significance including grants towards such programs and projects, $2,500,000.

55. Payment to the national centennial fund to enable grants to be made to the provinces for local projects of a lasting nature (the total of such grants not to exceed $1 per capita of population per province), $2,000,000.

60. National conference on Canada's centennial, $45,000.

GOVERNOR GENERAL AND LIEUTENANT-GOVERNORS

1. Office of the secretary to the Governor General, $233,200.

5. To authorize reimbursement to the lieutenant-governors of the provinces of Canada of the costs of travelling and hospitality incurred in the exercise of their duties up to a maximum per annum for each as detailed in the estimates, $129,000.

HOUSE OF COMMONS

Thursday, December 12, 1963

The house met at 2.30 p.m.

COMMITTEES OF THE HOUSE

VETERANS AFFAIRS—THIRD AND FINAL REPORT OF STANDING COMMITTEE

Third and final report of standing committee on veterans affairs—Mr. Forgie.

CONSUMER CREDIT—CONCURRENCE IN FIRST REPORT OF JOINT COMMITTEE

Mr. L. T. Pennell (Brant-Haldimand) presented the first report of the joint committee of the Senate and House of Commons on the consumer credit, and moved that the report be concurred in.

Motion agreed to.

INDIAN AFFAIRS

PETITION OF PEGUIS INDIANS CLAIMING ABROGATION OF RIGHTS

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to present a petition under standing order 70. It is a petition by Chief Albert E. Thompson, Councillor Allan McPherson, Councillor Robert Kipling and Councillor Arnold Favel, all of the Peguis Indian reserve at Dallas, Manitoba. I have read the petition and according to the rules have inscribed my name thereon. I am satisfied that the petition meets the rules of the house and the form of petitions in every respect. It refers to, and asks a solution for, what the petitioners claim is an abrogation of their rights under a treaty between the crown and the members of that particular nation of people.

CANADIAN WORLD EXHIBITION CORPORATION ACT

AMENDMENT RESPECTING NUMBER OF DIRECTORS, SALARIES, ETC.

Hon. Lionel Chevrier (for the Prime Minister) 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 amend the Canadian World Exhibition Corporation Act to increase the number of directors of the corporation by two and to provide for the expenses of the said two directors; to authorize the corporation to pay to the commissioner general and to the deputy commissioner general such allowances as are fixed by the governor in council; to establish an executive committee of the board consisting of three directors in addition to the commissioner general and the deputy commissioner general and to authorize the payment of remuneration by the corporation to the said three directors; and to make further changes in connection with the administration of the act.

Motion agreed to.

DOMINION-PROVINCIAL RELATIONS

REPORTED STATEMENT BY QUEBEC PREMIER RESPECTING PROVINCIAL REQUESTS

On the orders of the day:

[*Translation*]

Hon. Paul Martineau (Pontiac-Temiscamingue): Mr. Speaker, I should like to put a question to the Acting Prime Minister.

Does the hon. gentleman consider as an example of the new co-operative federalism the statement made by Mr. Lesage, yesterday evening, to the effect that it is the people of Quebec who will suffer from the central government's refusal to meet his requests?

Hon. Lionel Chevrier (Acting Prime Minister): Mr. Speaker, I have not seen the statement referred to by my hon. friend. At any rate, I do not intend to comment on a statement I have not seen.

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, may I ask a supplementary question? The Acting Prime Minister will find, when he sees the statement, that this is really an ultimatum on the part of the premier of the province of Quebec.

Hon. Leon Balcer (Three Rivers): A supplementary question, Mr. Speaker. Could the Acting Prime Minister tell us if Mr. Lesage is right in saying that the responsibility for the double taxation will have to be borne by the federal ministers?

Mr. Chevrier: I doubt very much that the premier of Quebec said such a thing, in the terms used by my hon. friend. In any case, as I said, I shall have to see the text before making any comments about it.

However, as my hon. friend from Three Rivers knows, there is going to be a conference on taxation and federal-provincial relations next spring, and those questions will be discussed.

Mr. Gilles Gregoire (Lapointe): As happened last time?

Mr. Chevrier: They were very well disposed, last time.

Mr. Martineau: In view of the remarks made by Mr. Lesage, not on television or to the press but in the Club de Reforme in Quebec, can the minister tell the house if he or the government have received a new request from Mr. Lesage since the federal-provincial conference took place?

Mr. Chevrier: The answer is no, Mr. Speaker.

[*Text*]

LABOUR CONDITIONS

REQUEST FOR WINTER WORK BONUS ON RENOVATION WORK

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): I wish to address a question to the Minister of Labour. I should like to ask the minister if he has received from some chambers of commerce and businessmens' organizations representations to the effect that in addition to the $500 bonus in respect of homes built during the winter there should be a bonus of $50 per $1,000 spent on the renovation of homes, apartment blocks and commercial premises? Is the minister giving consideration to these representations, and is he likely to adopt them as a means of reducing unemployment this winter?

Hon. A. J. MacEachen (Minister of Labour): I should like to take this question as notice and reply to the hon. member tomorrow.

UNEMPLOYMENT—GOVERNMENT ACTION TO IMPROVE SITUATION

On the orders of the day:

[*Translation*]

Hon. Theogene Ricard (St. Hyacinthe-Bagot): Mr. Speaker, I wish to put a question to the Secretary of State for External Affairs. Has he informed his colleague, the Minister of Labour (Mr. McEachen), of the projects he had in mind, some years ago, to check unemployment and provide work for the 300,000 unemployed people there are now throughout Canada?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I think the matter is obvious, for we have a labour minister who accomplishes much for the unemployed.

Mr. Ricard: Mr. Speaker, I wish to direct a supplementary question to the Secretary of State for External Affairs. Could he simply answer the question I put to him?

Mr. Martin (Essex East): I gave the hon. member a very good answer.

[*Text*]

WINTER WORKS—REQUEST FOR EXTENSION OF PERIOD

On the orders of the day:

[*Translation*]

Mr. L. P. Antoine Belanger (Charlevoix): I wish to direct a question to the Minister of Labour. Can he tell the house whether, following the great number of protests made by the municipalities, he intends to revise the deadline set for winter works, that is April 30, and extend it to May 31, as was done last year?

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, aside from the preliminary remarks of the hon. member, which are not entirely accurate, there is no intention at the present time to change the dates specified; because the expectations are that this winter the winter works program will be more extensive in man hours, labour content and dollar volume.

FINANCE

REPORTED STATEMENT BY PRIME MINISTER RESPECTING BUDGETARY DEFICITS

On the orders of the day:

Mr. R. N. Thompson (Red Deer): I should like to address a question to the Minister of Finance. According to newspaper, radio and television news reports the Prime Minister assured the Canadian Labour Congress yesterday that he saw eye to eye with them on the use of budgetary deficits to assist in the solution of the unemployment problem. Does this announcement indicate a new policy on the part of the government, or does the Minister of Finance have an explanation to make of this apparent conflict with his previous policy.

Hon. Lionel Chevrier (Acting Prime Minister): Mr. Speaker, perhaps the hon. member will allow me to reply. I should like to say on the Prime Minister's behalf what he has told me he would have said in answer to this question if he had been in the house. Some press reports have interpreted remarks of the Prime Minister to the Canadian Labour Congress delegation yesterday as if he were taking a view of budgetary deficits different from the view of the Minister of Finance. This is completely without foundation.

Some hon. Members: Oh, oh.

Mr. Chevrier: The substance of what the Prime Minister said yesterday is what he has said many times before. It is what the Minister of Finance has said many times and

what has been said by many others on behalf of the government and the Liberal party.

We accept the necessity, indeed the desirability, of deficit financing when it is the effective way to stimulate the sound and steady expansion of the economy needed to increase employment. The Prime Minister also believes, as the Minister of Finance believes and the government believes—

Some hon. Members: Oh, oh.

Mr. Chevrier: —that it is important not to permit an indefinite continuation of the chronic, very large deficits we have been experiencing. Deficits should be incurred only by deliberate decisions of economic policy; to allow them to continue or to expand indefinitely for other reasons would undermine confidence in the currency and impede steady economic expansion. Therefore one of the objectives of the government should be, and is, to move toward a more balanced budget as the economy gains strength; to see that deficits are reduced with improving economic conditions. That is the government's policy; it is the minister's policy and it is equally the Prime Minister's policy.

The Minister of Finance is making every possible effort to reduce budgetary deficits, among other things by reducing unnecessary expenditures. But he has not hesitated to support expenditures for necessary social and economic purposes, in particular for the reduction of unemployment.

Some hon. Members: Oh, oh.

Mr. Chevrier: In following these policies the Minister of Finance has, and will continue to have, the full support of the Prime Minister. I thank the house for the very courteous manner in which members have received this statement.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, in view of this secondary revelation of second thoughts by the Prime Minister, may I ask the Minister of Justice why it was, if this represented the consensus, that the Prime Minister turned to the Minister of Finance as he made that statement yesterday and said "I have not consulted with him and I do not know whether he agrees"?

Mr. Chevrier: Mr. Speaker, I was present at the meeting which took place yesterday. It was an excellent meeting, as my right hon. friend knows. It was one of the finest meetings I have experienced.

Some hon. Members: Oh, oh.

Mr. Chevrier: But if I may answer my right hon. friend's question I would say he should not be disturbed too much about budgetary deficits in view of the $3 billion budgetary deficit which took place while he was in office, and he should not be worried too much about what this government is likely to do.

Mr. Diefenbaker: Mr. Speaker, there does not seem to be the clarity in that answer that there was in the prepared answer. I now ask the minister, did he hear the statement made yesterday by the Prime Minister to the Minister of Finance, which in effect was "I have not consulted with him and I do not know whether he agrees"? Does this agreement represent an agreement overnight?

Mr. Chevrier: I am not sure that I heard the words to which my hon. friend refers, but I have one recollection and it is this. As I tried to say a while ago when I was interrupted, I have attended no finer meeting between labour and government than the one which took place yesterday.

Mr. Thompson: May I ask a supplementary question. I wonder if the Acting Prime Minister would agree with the story my mother used to tell me when I was a boy—

Some hon. Members: Oh, oh.

Mr. Thompson: —about—

Some hon. Members: Question.

Mr. Speaker: Order, please. The hon. member for Burnaby-Coquitlam.

Mr. T. C. Douglas (Burnaby-Coquitlam): May I ask a supplementary question, Mr. Speaker. Now that the Acting Prime Minister has given the views of the Prime Minister and the Prime Minister, in absentia, has given us the views of the Minister of Finance, could we hear from the Minister of Finance himself?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I have nothing to add to the very clear statement which the Acting Prime Minister has just made. I agree with every word of it.

Hon. Paul Martineau (Pontiac-Temiscamingue): May I ask a supplementary question of the Minister of Finance. In view of the statement the Acting Prime Minister has just made, could he tell the house if he foresees an unprecedented peacetime deficit for the current fiscal year?

Mr. Gordon: I am looking forward, and I think we are all looking forward, to a good year in 1964. We will be making more detailed statements about this at the proper time and in due course. At the moment I think it is fair to say that conditions look good.

Inquiries of the Ministry

Mr. Real Caouette (Villeneuve): May I ask a supplementary question of the Acting Prime Minister. In view of what he has just said, how is it that under a Conservative government all these deficits were a disgrace and a national shame, but apparently they have become a national grace under this government?

[*Translation*]

Mr. Chevrier: Mr. Speaker, as far as the first part of the question goes, I suggest that my hon. friend direct it to the Leader of the Opposition (Mr. Diefenbaker). As for the second part, it will be necessary to wait for developments before a statement can be made.

[*Text*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask a supplementary question of the Acting Prime Minister, and it is a serious one. In view of the almost complete agreement the Prime Minister expressed yesterday with the proposals contained in the brief of the Canadian Labour Congress, can we assume that those proposals will be in the speech from the throne at the start of the next session?

Mr. Chevrier: Mr. Speaker, I take it the hon. gentleman was present, together with his colleagues, at the meeting, because I saw them there. I thought I saw them agreeing with most of the things the Prime Minister said. I cannot add anything more to what was said on that occasion.

Hon. Leon Balcer (Three Rivers): I rise on a point of order, Mr. Speaker. Are we not going to hear what the mother of the hon. member for Red Deer had to say?

[*Later:*]

Mr. E. Nasserden (Rosthern): Mr. Speaker, I have a supplementary question for the Acting Prime Minister. Would the Acting Prime Minister maintain that the current expected deficit was deliberately planned by the government and the Minister of Finance?

Mr. Chevrier: Well, Mr. Speaker, if one has regard to a comparison between what is taking place now and what has taken place before, the comparison is as between day and night, and I would not want to go into the matter any further.

Mr. Speaker: The hon. member for Longueuil.

[*Translation*]

Mr. Gilles Gregoire (Lapointe): On a point of order, Mr. Speaker—

[*Text*]

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

[Mr. Gordon.]

[*Translation*]

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

[*Text*]

Mr. Speaker: What is your point of order?

[*Translation*]

Mr. Gregoire: Mr. Speaker, my point of order is related to the standing order which provides that a minister must reply to the question directed to him. He is not obliged, of course, to reply if he does not want to. However, I submit that, as far as the last question put to him is concerned, the Minister of Justice, as has been the case in many occasions lately, answers anything but does not answer the question directed to him. I think it is time to put a stop to that way of answering questions. Proper replies should be given to the questions put.

[*Text*]

Mr. Speaker: Order. The hon. member will kindly resume his seat when I get on my feet.

Some hon. Members: Hear, hear.

Mr. Speaker: The hon. member knows the standing orders as well as I do, and when I am on my feet the hon. member should be seated.

The hon. member for Longueuil.

Mr. Jean-Pierre Côté (Longueuil): I shall put my question later, Mr. Speaker.

[*Later:*]

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, may I ask the Acting Prime Minister a question?

In view of the statement he made in this house this afternoon to the effect that he was in favour of a budgetary deficits policy and in view of the statement made by the Minister of National Health and Welfare (Miss LaMarsh) some days ago in Edmonton that she was in favour of a pay as you go financial policy, could he tell us which one of those two statements is official?

Mr. Chevrier: Mr. Speaker, I would ask my hon. friend to be at least kind enough to read tomorrow the statement I made in the house this afternoon and which will appear in *Hansard*, because the preamble to his question does not tally with the statement I made.

[*Text*]

FEDERAL INSURANCE CARRIED WITH NORWICH UNION COMPANIES

On the orders of the day:

Mr. M. L. Klein (Cartier): Mr. Speaker, may I direct a question to the Minister of Public

Works. In view of the Arab boycott now being conducted against the state of Israel, resulting in the resignation of Lord Mancroft from the London advisory board of the Norwich Union insurance societies, will the minister ascertain whether the government of Canada or any of its crown corporations are presently carrying any insurance contracts with the Norwich Union insurance societies?

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, as my hon. friend will realize, this question involves a lot of research. We are going to do it with the greatest pleasure, but in the meantime I wonder if it would be acceptable to the hon. member to put his question on the order paper.

Mr. Klein: If the minister so wishes.

POWER

COLUMBIA RIVER—INQUIRY AS TO AGREEMENT ON PRICE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Secretary of State for External Affairs which arises out of the reported agreement on the Columbia river treaty amongst the negotiators representing the three governments concerned. Does this mean there is now complete agreement among the negotiators as to the price that should be paid for downstream benefits, or is there still some latitude being left in this respect?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I will be glad to send over to my hon. friend a copy of the communique that was issued at the end of the meeting last night. That release said in part that after three days of discussions, during which substantial progress was made, the negotiators were in general agreement on a report that would now be submitted to the governments concerned. This represents a very considerable advance in the matter—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): —and I am sure that no one will be happier at this news than my hon. friend.

TRANSPORT

FERRY SERVICE, FATHER POINT-BAIE COMEAU—NOTICE OF DISCONTINUANCE

On the orders of the day:

[*Translation*]

Mr. Gustave Blouin (Saguenay): Mr. Speaker, I should like to put a question to the Minister of Transport. Is he aware of a public notice given on December 9 by the shipping company Nord-Sud Limitee to the effect that the daily service provided by the ferry-ice-breaker *Pere-Nouvelle* between Father Point and Baie Comeau in my riding, will be discontinued on January 4, 1964?

Hon. Marcel Lambert (Edmonton West): Order paper.

[*Text*]

Hon. G. J. McIlraith (Minister of Transport): Yes, Mr. Speaker, I have received notice of that action being taken by the ferry company.

[*Translation*]

Mr. Blouin: Mr. Speaker, I wish to ask a supplementary question.

Does the present government intend to give effect to the commitments made by the previous government to maintain this public service between both shores?

[*Text*]

Mr. McIlraith: Mr. Speaker, the present government is not responsible for the breaches, if any, of commitments made by the former government; but the question—

Mr. Mandziuk: How about the nuclear arms?

Mr. McIlraith: —of subsidy to the ferry is being examined at the moment.

Hon. Leon Balcer (Three Rivers): A supplementary question, Mr. Speaker. We are entitled to know what breach of commitment was there by the previous government. As far as the *Pere-Nouvelle* ferry is concerned, we worked very hard to establish that ferry and it should be given sufficient subsidy to carry on.

Mr. McIlraith: Mr. Speaker, the point I made was in answer to the question of the hon. member, and I repeat "the breaches, if any". However, since the hon. member for Three Rivers has asked the question, the breach they complain of is contained in a letter written by the hon. member in which he indicated that his government would admit the ferry duty free.

Some hon. Members: Oh, oh.

BRIDGES

THREE RIVERS—SUGGESTED CONSTRUCTION AT CAP DE LA MADELEINE

On the orders of the day:

[*Translation*]

Mr. Jean-Paul Matte (Champlain): Mr. Speaker, I should like to put a question to the Minister of Transport.

In view of the technical and other difficulties that seem to be involved in the building of the Three Rivers bridge, which is greatly needed, has your department considered suggesting to the corporation to build that bridge

in Cap de la Madeleine instead of Three Rivers, so that some of the difficulties might be removed?

[*Text*]

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

NATIONAL MUSEUM

DR. RUSSELL—REPORTED STATEMENT AS TO RESIGNATION

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I wanted to ask the Minister of Northern Affairs and National Resources a question arising out of the report carried in the press yesterday with regard to Dr. Loris Russell, explaining why he felt he had to get out of the national museum. I wonder whether the minister has any comment to make on this report or any indications as to how he plans to meet the criticisms contained in Dr. Russell's statements, for example by putting them before the house or one of its committees.

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, I read with considerable interest and some dismay the statement attributed to Dr. Loris Russell yesterday. This would seem to culminate a great many years of disturbance within the management of the affairs of the museum. I regret it very much, because Dr. Russell is a distinguished Canadian scientist who indeed in the last several years during which tumult has existed there had contributed enormously to bringing peace and some measure of tranquility to the museum.

I can assure my hon. friend that my one purpose now with regard to the museum is to re-establish over a period of years a degree of tranquility. I am only sorry that Dr. Russell will not be part of it. We have lost not only Dr. Russell but I think six or eight scientists in all, including several holding doctorates. This is an unfortunate state of affairs. I hope it is not a tendency that applies to that particular degree of study. But we are not going to establish a sound museum until internal peace is restored. We propose to make appointments to the museum, the staff of which will be headed by Dr. Glover from the University of Manitoba, and we hope to establish a degree of extended growth and peace in the museum as rapidly as we can.

Mr. Fisher: A supplementary question, Mr. Speaker, which may seem narrow. Dr. Russell in his statement refers to representations that were received which were critical of the course of the museum, particularly from members of the Canadian historical association. I put a request on the order paper in the form of a notice of motion for the production of papers in relation to these communications. The reply was that there were no communications of this character.

I wonder whether the minister has any explanation for this, because here is a civil servant who knows the correspondence exists, yet the minister has given a reply that there is none available.

Mr. Laing: Mr. Speaker, if the hon. member made such a request—I cannot recall it fully now—and we told him there were no such communications, I would say that we told him the truth. However, I noticed the statement of Dr. Russell that pressures had been put upon him to give up his post. I want to say to the hon. member that neither I nor any member of my staff at any time endeavoured to persuade Dr. Russell to leave his post. We were aware that he was dissatisfied in the current post and indeed was hoping, I think, to be made chief of the museum. I think delay in such a decision contributed in part to his discomfiture. However, with regard to the statement that pressures were put upon him to resign, I want to assure my hon. friend that this was not my policy, the policy of the deputy minister or of anyone on the staff.

Mr. Lawrence E. Kindt (Macleod): Mr. Speaker, having attended university with Dr. Russell and watched the development of his work in the national museum of Canada over the years, I want to say that in Dr. Russell the Canadian government had one of the finest geologists who ever graduated from a university in Canada.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MEMBERS OF ANTIGUA GOVERNMENT

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I direct my question to the Secretary of State for External Affairs. I wonder whether he is aware that in our diplomatic gallery today we have two very distinguished gentlemen from the West Indies area, Mr. Bird the chief minister of the territory of Antigua, who does not have to delegate the responsibilities of minister of finance as we do because he is the minister of finance as well, and his public works minister, Mr. Williams.

Some hon. Members: Hear, hear.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I was not aware of the presence of the chief minister

of Antigua and the minister of public works of that territory, but I am looking forward to seeing both of these gentlemen in my office later this afternoon.

NATIONAL DEFENCE

ANTICIPATED REDUCTION IN ARMED FORCES AND CIVILIAN PERSONNEL

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would like to direct a question to the Associate Minister of National Defence in the absence of the Minister of National Defence. Two days ago I asked what was the estimated number of personnel involved in the reduction in the armed forces, and also in the civilian workers. Is the minister now in a position to give an answer?

Hon. Lucien Cardin (Associate Minister of National Defence): Yes, Mr. Speaker, I am in a position to inform the right hon. gentleman that a total of 2,293 service and 2,751 civilian personnel will be affected by these reductions. I should point out, however, that in so far as the servicemen are concerned, for the most part they will be transferred to other units to fill vacancies or take the place of others who retire.

As for civilians, approximately 800 are employed on the northwest highway system and at Fort Churchill, and it is expected that there will be little change after the transfer of administrative responsibilities from the Department of National Defence. Of the remainder, positions will be found for some in other government departments in lieu of personnel who would normally be recruited from outside the public service. A few will be retained in the Department of National Defence, where their experience and skills can be used to good advantage.

Every effort will be made to ensure that as many as possible of the employees affected will be taken care of in one way or another, and it is expected that a number will obtain employment in private industry through the agency of the national employment service. I might add that, as my colleague pointed out last week, the discontinuance of or reduction in certain defence establishments will be done on a gradual basis, and every endeavour will be made to minimize any possible hardship or inconvenience for those personnel involved.

[*Later:*]

[*Translation*]

Mr. Georges Valade (St. Mary): I wish to ask a supplementary question on this point, Mr. Speaker.

Can the Associate Minister of National Defence tell us whether he has given consideration to the pension fund which was accumulated by the employees who are being displaced and could he tell us what the government intends to do in that respect, in order to protect the employees concerned?

Mr. Cardin: Mr. Speaker, all those things are being considered.

[*Text*]

Mr. Erik Nielsen (Yukon): I have a supplementary question for the associate minister. He mentioned that approximately 800 personnel were employed on the northwest highway system. My understanding of the most recent figures was that 1,200 personnel were employed on the highway. Does the minister's mention of 800 mean that there is to be a reduction of approximately 400 personnel when the Department of Public Works takes over the operation?

Mr. Cardin: Mr. Speaker, I am relying on the figures of the department, and I understand the number of civilian personnel on the northwest highway system and at Fort Churchill is 800, not 1,200.

[*Later:*]

Mr. Nielsen: Mr. Speaker, I have been trying for 35 minutes to ask a supplementary question of the Minister of Public Works. It arises out of the discrepancy in the figures that the Associate Minister of National Defence appears to have given the house with respect to personnel on the northwest highway system. Can the minister assure the house that, regardless of whether the figure is 800 or 1,200, there will be no reductions in the civilian personnel on the highway as a result of the take-over of the maintenance operation by his department?

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, my hon. friend will not expect me at this time and on the spur of the moment to give any assurances of any kind. However, I am going to look into the matter, and within the next few days I will probably be able to give the hon. member an answer.

LABOUR RELATIONS

B.C. FISHERMEN'S STRIKE—RESIGNATION OF ARBITRATOR

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I would like to direct a question to the Minister of Fisheries and ask him whether he has yet been able to get in touch with the British Columbia minister of labour, Hon. Leslie Peterson, in Victoria, with respect to

finding a replacement for Mr. Justice Dryer in the arbitration in the fishing industry dispute.

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, as I said yesterday in reply to a question from the hon. member, Hon. Mr. Peterson is away but he will be back in his office on Monday morning. I have left word for him to call me on Monday morning, when this matter will be discussed with him.

Mr. Howard: As a supplementary question, is the minister aware that as long ago as October 25 Mr. Justice Dryer expressed the thought that because of his duties as a member of the maritime union trustees he would be unable to perform his duties as an arbitrator in the fishing industry dispute, and suggested that the parties get in touch with the minister? Further, is the minister aware that as long ago as November 14 at least one of the parties got in touch with the minister and expressed that point of view?

Mr. Robichaud: In reply to the hon. member I wish to state that on November 18 I contacted Hon. Mr. Peterson, and he advised me he had no notification from Mr. Justice Dryer to the effect that he would not be able to carry on as arbitrator. The next day, November 19, as I said yesterday, I contacted Mr. Justice Dryer again and he advised me he thought he was in a position to carry on with the arbitration. I also said yesterday that on December 4 he wrote me and mentioned in his letter that if we felt he could not carry on as arbitrator to the satisfaction of the two parties concerned and that an unexpected delay would occur, we were free to replace him, and this is the action I have taken since.

Mr. Howard: As a supplementary question, can I take it from this that we should place less trust than normal in the government of British Columbia?

Mr. Speaker: Order, please.

INDUSTRY

REQUEST FOR REPORT ON MEETING WITH ONTARIO MINISTER

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, my question is directed to the Minister of Industry. Would the minister report to the house following his conference with the Ontario minister of trade and industry?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I think it would probably be more convenient if I made a report when the estimates for which I am responsible come up for consideration next week, rather than on orders of the day.

[Mr. Howard.]

Mr. Hales: Could I ask the minister at this moment whether the Ontario minister of trade and industry requested that the Brantford area be withdrawn from the list of designated areas?

Mr. Drury: He did not.

AGRICULTURE

REQUEST FOR AGENDA FOR DOMINION-PROVINCIAL CONFERENCE

On the orders of the day:

[*Translation*]

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

Would the minister be kind enough to give the house a general outline of the federal-provincial conference on agriculture which will take place here on December 16, 17 and 18?

[*Text*]

Hon. Harry W. Hays (Minister of Agriculture): Well, Mr. Speaker, there are many, many subjects that are coming up, and I would be very glad to give the hon. member a copy of the agenda on Monday morning. Further, my estimates will be up for discussion in a short while.

[*Translation*]

Mr. Boutin: Mr. Speaker, may I put a supplementary question?

Could the minister tell us whether the question of a wheat board for eastern Canada will be considered at the next conference?

[*Text*]

REPORTED SPEECH BY MINISTER IN CHICAGO

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct a brief but important question to the Minister of Agriculture. In view of the fact that when speaking to the Chicago farmers club on December 2 the minister is reported to have informed his audience that the government of Alberta was a Conservative and republican type of government, is he supporting the campaign of the hon. member for Lotbiniere against Her Majesty.

Hon. Harry W. Hays (Minister of Agriculture): I have not seen this speech.

Mr. Douglas: Did the hon. gentleman see the speech before he delivered it?

[*Later:*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wonder if the Minister of Agriculture will explain how he can read his speech without seeing it.

Mr. Pickersgill: Wait and see.

INQUIRY OF THE MINISTRY

On the orders of the day:

[*Translation*]

Mr. Gerard Chapdelaine (Sherbrooke): Mr. Speaker, I should like to put a question to the Acting Prime Minister?

Can the minister tell us whether he deliberately replied in French to the question put to him in English by the hon. member for Villeneuve?

Hon. Lionel Chevrier (Acting Prime Minister): Yes, Mr. Speaker.

Mr. Gregoire: This proves that they are both bilingual.

[*Text*]

EXTERNAL AFFAIRS

KENYA—CANADIAN REPRESENTATION AT INDEPENDENCE DAY CELEBRATION

On the orders of the day:

Mr. S. J. Enns (Portage-Neepawa): Mr. Speaker, I wish to ask the Secretary of State for External Affairs who represented Canada at the independence day celebrations in Kenya earlier this day? I am certain all hon. members want to welcome this new member nation of the commonwealth, but I would like to know who performed this pleasant duty for Canada?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I am sure the house joins in the observation made by the hon. gentleman in expressing a warm welcome to Kenya on the occasion of its independence. Canada is represented on this occasion by the head of our mission in an associated country.

BOLIVIA—PROTECTION FOR CANADIAN MISSIONARIES

On the orders of the day:

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, I would like to direct a question to the Secretary of State for External Affairs. Could the minister indicate whether security measures have been taken to protect the many Canadian missionaries who are in Bolivia, in the Oruro, Catavi and Siglo XX areas, in view of the uneasiness which prevails in those regions at this moment?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I will try to answer the question of the hon. member for Villeneuve next week—I will not be here Monday—since I am not in a position to answer it right now.

[*Text*]

HEALTH AND WELFARE

USE OF CHILDREN'S TEETH AS RADIOACTIVE FALL-OUT CHECK

On the orders of the day:

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, I should like to ask the Minister of National Health and Welfare whether she has had time to prepare an answer to the question I asked last Thursday. While I am on my feet I should also like to ask her whether she is now prepared to give us the names of the members of the advisory committee that she promised or stated on November 7 would be chosen from recognized university authorities and other sources?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Mr. Speaker, I have been carrying the answer to this question around hoping that the hon. member would be in the house some day and would ask it.

Some hon. Members: Oh, oh.

Some hon. Members: Shame.

Mr. Rynard: Mr. Speaker, on a point of order.

An hon. Member: Privilege.

Mr. Speaker: Order, please. The hon. member for Simcoe East on a point of order.

Mr. Rynard: Mr. Speaker, on a question of privilege, I have been in this house—

Miss LaMarsh: I did not mean any offence to my hon. friend; I meant since my return to the house. I know he has been here when we have been dealing with other legislation, but he has not been in the house during recent question periods. The question asked in my absence while I was at the dominion-provincial conference was taken as notice by my parliamentary secretary, and it is one which requires a fairly elaborate answer.

The information now available to us concerning the University of Toronto project on the measurement of strontium 90 in the primary teeth of Canadian children suggests that a widespread misunderstanding may exist with regard to the purpose of this project. It appears that the study is designed to serve two purposes; (1) to obtain an accurate estimate of the discrimination against strontium 90 as it passes from cows to milk to humans; and (2) to study the uptake of strontium 90 by calcified tissues which have different metabolic properties than bone. From the information available to us there is no reason why these objectives cannot be met by the University of Toronto program. Such studies are of course research studies, and should not be confused with public health monitoring programs.

Inquiries of the Ministry

In my department we are concerned with the public health aspects of nuclear fall-out. The objective in this case is to determine the radiation dose to sensitive tissue such as the bone marrow. The most direct method of assessing the current public health significance of the cumulative effect of fall-out in the past is through a program of measurement of strontium 90 in human bones. My department is engaged in such a study. At the same time we are concerned also with the future significance of fall-out, and for this purpose we have developed a comprehensive nation-wide system of fall-out studies in air, precipitation, soil and food products.

Analyses for strontium 90 in teeth do not provide data which can be used directly for estimating the present or future radiation dose to bone marrow. This is because primary teeth, unlike other parts of the skeleton, are fully formed by the end of the first year of life and there is subsequently little exchange with minerals in the diet. Indirectly, teeth analyses may be used to reflect the levels of strontium 90 in the diet during the period the teeth were formed, that is to say, four to six or more years earlier. If such data are required for public health purposes, a program such as my department's milk monitoring program provides data right up to the present time.

Mr. Rynard: A supplementary question. I do not think the minister has answered the second part of my question as to the committee which she was to appoint to study radiation. She was going to name the committee which she said on November 7 would be appointed.

Miss LaMarsh: My hon. friend asks me whether I am prepared to name them?

Mr. Rynard: Yes, that is what I asked.

Miss LaMarsh: I asked the department this week for the names, and the senior official with respect to radiation measures is out of the city for the week, so I have been unable as yet to get this information.

AIR TRANSPORT

APPLICATION TO DISCONTINUE PART OF PRAIRIE SERVICE

On the orders of the day:

Mr. K. H. More (Regina City): Mr. Speaker, I wish to direct a question to the Minister of Transport. It is reported that the air transport board yesterday authorized Transair of Winnipeg to suspend or abandon its run which serves Swift Current-Medicine Hat-Calgary-Regina effective January 11. Does the government concur in this suspension and, if it does, what arrangements are being made to service this run?

[Miss LaMarsh.]

Hon. G. J. McIlraith (Minister of Transport): My understanding is that the order granting the right to suspend part of the service referred to by the hon. member was subject to the decision to hold a public hearing to deal with the question of whether or not the service should be cancelled. It is merely a suspension order which has been granted; the question of whether the service should be cancelled will be dealt with subsequently at a public hearing. Also at that hearing any other applications for a different or a substitute service to cover these points will be heard.

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, I have a supplementary question which I will direct to the Acting Prime Minister. Is the suspension of the prairie run referred to by the hon. member for Regina City an indication that the Liberal government is again forsaking western Canada?

Mr. H. A. Olson (Medicine Hat): A supplementary question. The reply of the Minister of Transport did not indicate when this public meeting would be called. I should like to ask him now whether that meeting will be called prior to the suggested suspension date of January 11, and whether the government is prepared to maintain the service until the hearings are held and a decision respecting an alternative service is forthcoming.

Mr. McIlraith: Mr. Speaker, I do not think it is a matter for the government to provide the service; and it is not the prairie run which is involved, it is part of the prairie run. I have not had the opportunity, not having had notice of the question in advance of the sitting of the house, to get full information. I think perhaps the interest of all concerned would be best served if I were to get accurate information and answer the question more fully tomorrow.

ADMINISTRATION OF JUSTICE

QUEBEC—ALLEGED MISCARRIAGE IN COFFIN CASE

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I should like to ask a question of the Minister of Justice arising out of the sensational disclosures that are again taking place in regard to the Coffin murder trial, namely that the prosecutor has now asked the Quebec bar to investigate his conduct of the prosecution, and a Toronto newspaperman has been implicated in the disappearance of a key piece of defence evidence. Would the minister now give consideration to appointing a royal commission

to investigate and clear away all the rumours and clouds which are surrounding the most mysterious murder trial in Canadian history?

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, if there is to be a royal commission I am sure the proper place for it is in the province where the trial has taken place, notwithstanding the statements which my hon. friend has made. However, as I said yesterday, my officers are reading the book which has been published by Mr. Hebert to ascertain whether there is any federal aspect to it. I am also reading it myself, and when this reading has been completed if there is any reason to do so, I will make a statement.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I can understand the answer of the Minister of Justice, but I wonder whether an examination has been made with regard to representations which were made following the sentence of death so as to determine whether, during those representations, any of these matters were raised at all.

Mr. Chevrier: I thank the right hon. gentleman for that question. I think it is going to be very helpful. But what I had in mind to say—and I am sure the right hon. gentleman remembers this—was that this case was appealed on one, if not two, occasions and judgment was rendered by the Supreme Court of Canada. But I will give consideration to the implication contained in the question.

Mr. Scott: I wish to direct a supplementary question to the Minister of Justice. In view of the fact that it was the federal cabinet which refused to commute the sentence to one of life imprisonment, does the federal government not feel it has some responsibility in this matter? If the cabinet had acted differently, Mr. Coffin would still be alive.

Mr. Chevrier: Certainly the federal government has no responsibility for what antedated that decision; but from there on, as I have stated, I am having the book studied. I cannot make any comment in that respect at the present time.

Mr. T. C. Douglas (Burnaby-Coquitlam): Surely the minister will admit that as Minister of Justice it is his responsibility to investigate—

Mr. Speaker: Order. That is an argumentative question, as is apparent from the way in which it is being put. Perhaps the hon. member would care to rephrase it.

Mr. Douglas: Then I ask the minister if he would not agree that if evidence is turning up to show that an innocent man has been executed, he and the government have some responsibility to look into the matter.

Mr. Chevrier: If the hon. gentleman had listened carefully to what I said, I think he would have understood the statement I made. I said that those things which antedated the action taken by the governor in council were it seemed to me, matters to be adjudicated upon under provincial jurisdiction. So far as the rest of the question is concerned, I will say this. It may be there are other matters which will arise out of the study which is being made of the book at the present time. If, following that study, there are matters which are of interest to the Department of Justice, then the minister should, and will, take the steps which are necessary.

Mr. Douglas: Did I not hear the minister say that if there was to be a royal commission to look into this matter it would be set up in the province and by the provincial government?

Mr. Chevrier: I did say that. In so far as the case is concerned, the allegations concerning the case and the statements which have come out in the press from time to time, it would seem to me that if a royal commission were to be set up, such a commission should be a provincial one.

SHIPPING

INQUIRY AS TO REPAIRS TO COASTGUARD SHIP "NANOOK"

On the orders of the day:

Mr. H. Russell MacEwan (Pictou): I should like to address a question to the Minister of Transport, but first may I express the hope that he enjoyed his trip to the maritimes. I should like to ask him a question regarding a statement he made while in that area. When does he expect to reach a decision concerning repairs to the coastguard ship *Nanook* for which tenders have been called? Work on these repairs would provide a considerable amount of winter employment in this area.

Mr. Speaker: Order. That is a question for the order paper.

ST. LAWRENCE SEAWAY—CLEARANCE BY ALL OCEAN GOING VESSELS

On the orders of the day:

Mr. Gerald A. Regan (Halifax): Mr. Speaker, I should like to direct a question to the Minister of Transport. Can the minister advise the house if all ocean going vessels have now cleared the St. Lawrence seaway?

Hon. G. J. McIlraith (Minister of Transport): Yes, Mr. Speaker, the last one cleared the seaway the day before yesterday at 10.40 in the morning.

Inquiries of the Ministry

TRADE

WHEAT—LOSS RESULTING FROM CONTAMINATED SHIPMENTS

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): I should like to address a question to the Minister of Transport. It is the same question I addressed to the Minister of Trade and Commerce last Monday and it has to do with the contamination of several cargoes of Canadian wheat by glass. Has the minister ascertained whether these cargoes can be cleaned and, if not, who will have to sustain the loss?

Hon. G. J. McIlraith (Minister of Transport): No claims have been made. That is the simple answer to the hon. member's question. So his question as to who will sustain the loss does not apply at this time.

FOREST PRODUCTS—CANADIAN PREPARATIONS TO MEET WORLD DEMAND

On the orders of the day:

[*Translation*]

Mr. Pierre-Andre Boutin (Dorchester): Mr. Speaker, I wish to direct a question to the Minister of Forestry. Following the statements he made in San Francisco recently to the effect that the world demand for forest products will double in the next twenty years and that Canadian industries must get a large share of that market, can the minister inform the house how the federal government intends to do its share to help those industries?

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, since the Minister of Forestry is absent, I will take this question as notice.

[*Text*]

TRANS-CANADA AIR LINES

REQUEST FOR RETRACTION OF STATEMENTS BY PRESIDENT

On the orders of the day:

[*Translation*]

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, I should like to direct a question to the Minister of Transport. Could he inform the house whether the government will force Mr. McGregor, chairman of T.C.A., to withdraw some inaccurate statements he made concerning the French aircraft Caravelle which is used by 22 air transportation companies and which has carried more than seven million passengers since it was put into service in May 1959?

[*Text*]

Mr. Speaker: Order.

Hon. G. J. McIlraith (Minister of Transport): The government has no intention of forcing Mr. McGregor to retract any statement he made. As far as I know, he made no inaccurate statement.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to ask the Acting Prime Minister a supplementary question. Does the government intend to suggest to the members of the sessional committee on railways that they invite a representative from the Sud-Aviation Company to reply to the charges made by Mr. McGregor?

Hon. Lionel Chevrier (Acting Prime Minister): Mr. Speaker, as the hon. member knows, or should know, the standing orders of the house are quite specific on that matter. The members of a committee manage their own discussions and they are the ones who decide whether or not they will ask a witness to come before a committee.

[*Text*]

[*Later:*]

Mr. Pigeon: Mr. Speaker, I have a question for the Minister of Transport. Did the minister in fact say that the statements as made by Mr. McGregor were accurate and that he has examined them accordingly?

Mr. Pickersgill: Mr. Speaker, I am rising on a point of order. The hon. gentleman appears to be referring to the proceedings of a committee which, of course, is against the rules of the house. For that reason it seems to me the question should be ruled out of order.

Mr. Martineau: On the point of order, Mr. Speaker, I think the hon. member was referring to the reply given by the Minister of Transport and not to something that occurred in the committee.

Mr. Pickersgill: Then I apologize.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, the Minister of Transport gave an answer a few moments ago regarding a statement made by the president of T.C.A. with respect to this French plane. He said "I know of no statement made by him that was inaccurate". I submit that the question asked by the hon. member is quite proper, because it certainly should be cleared up as to what the minister means by saying the statements have not been inaccurate.

Mr. Pickersgill: Mr. Speaker, I want to apologize for my intervention.

Mr. McIlraith: Mr. Speaker, the first question probably should not have been answered at all, because it contained a great number of statements and was quite different from what the Leader of the Opposition has now

indicated. Perhaps I should look at the answer and the question and see if my answer was sufficiently complete, but if I understood the question correctly my answer was quite accurate. I was troubled by the question. Quite frankly, it had so many allegations in it that I was not sure what construction should be put on it. There were so many of them wrapped together.

EDUCATION

QUEBEC—FEDERAL ASSISTANCE TOWARD NEW TECHNICAL INSTITUTE

On the orders of the day:

[*Translation*]

Mr. Raymond Langlois (Megantic): Mr. Speaker, I wish to direct a question to the Minister of Transport. We have learned from Quebec that an aerotechnical institute is going to open in Montreal, in 1964. Has the minister received any request for assistance or co-operation from the government of Quebec?

[*Text*]

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

POST OFFICE DEPARTMENT

SUGGESTED STAMP IN HONOUR OF LATE PRESIDENT KENNEDY

On the orders of the day:

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I have a question for the Postmaster General. Can he tell us if the federal government has the intention to issue a stamp bearing the effigy of the late President John F. Kennedy?

Hon. Azellus Denis (Postmaster General): Mr. Speaker, no decision has been taken on that matter.

Mr. Langlois: A supplementary question, Mr. Speaker. Considering the nature of the question and of the answer, are we to understand that the matter is under consideration?

Mr. Denis: Mr. Speaker, all suggestions are taken into consideration, and then a final decision is arrived at.

[*Text*]

SUGAR

INQUIRY AS TO CONTRACT WITH RHODESIA

On the orders of the day:

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, on Wednesday the hon. member for Cumberland asked me about negotiations for a long term sugar contract with Rhodesia and when they might be concluded. I informed the house on November 12 that we have been approached by a number of sugar exporting groups with respect to the negotiating of long term contracts. These discussions are still going on, and there is nothing I can say at the present time that would be appropriate.

AIRPORTS

WINNIPEG—FACILITIES FOR IN TRANSIT PASSENGERS ON INTERNATIONAL FLIGHTS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Transport. Has he yet been able to make his inquiries into the arrangements at the Winnipeg international airport for international air line passengers who have to stop over there between flights?

Hon. G. J. McIlraith (Minister of Transport): Yes, Mr. Speaker. I regret not giving the hon. member before now the answer to the question he asked some days ago. I hope he will be tolerant of my absence the last few days. The matter raised by him has to do with the provision made for in transit passengers from a foreign aircraft flying over Canada and landing at Winnipeg for a short time.

This is a matter for decision by the air line concerned, since it is the air line that makes the arrangements for the handling of these passengers on in transit flights. It must determine if it wishes to hold its passengers on the aircraft, have them get off but remain as in transit passengers, that is not cleared by customs and immigration, in which case they may not move around the building, or be cleared by the inspection services so they can circulate freely within the terminal building.

On the flight referred to in the press I gather that the stop was made for 40 minutes only, and that the period of two hours reported in some press stories was not accurate. Accordingly the air line determined that the passengers should be held in transit and not cleared in a way that would permit them to move around the building freely.

Transit facilities at airports normally have limited use. Those in the Winnipeg terminal are comfortable and well furnished. Arrangements have in fact been made to offer additional rooms to the air lines for this purpose when required. If user air lines wish special services provided in these rooms or other adjustments, this is a matter for them to take up with the inspection services or the Department of Transport, according to what their

requirements may be. Basically the responsibility rests with the air line concerned for the arrangements it wishes to make for its passengers, and suitable facilities should and can be made available for this purpose.

Mr. Speaker: The hon. member for Longueuil.

[*Translation*]

Mr. Jean-Pierre Côté (Longueuil): Mr. Speaker, I shall wait until tomorrow to ask my question.

[*Text*]

UNEMPLOYMENT INSURANCE

GILL REPORT—OBJECTIONS BY QUEBEC LABOUR FEDERATION

On the orders of the day:

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, if other members had not asked so many questions, I would have also waited until tomorrow. But, as I wanted to put my question yesterday, I shall do so this afternoon.

My question is directed to the Minister of Labour. Is he aware of the statement made by the Quebec workers federation rejecting the findings of the Gill commission report? If so, what consideration does he intend to give that statement?

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, it will be the desire of the government to consider carefully all views expressed with respect to the recommendations of the Gill committee. I may tell my hon. friend that the Gill committee recommendations are now under study and will be considered by the government.

PENSIONS

AMENDMENTS RESPECTING OLD AGE ASSISTANCE, BLIND AND DISABLED PAYMENTS, ETC.

Hon. Judy V. LaMarsh (Minister of National Health and Welfare) moved the third reading of Bill No. C-125, to amend the Old Age Assistance Act, the Disabled Persons Act and the Blind Persons Act.

Hon. J. W. Monteith (Perth): Mr. Speaker, as the house is well aware we in the official opposition, particularly during the debate on second reading, indicated our displeasure with the effective date of the legislation. We feel that the effective date of these increases should be the same as the starting date for the old age security increases.

I do not wish to repeat the many arguments that were presented on second reading, but we do feel that the inequities created

by the effective date in the present measure should be rectified. We feel that possibly at this stage the government may have reconsidered its position and may wish to do something about this.

In consequence, Mr. Speaker, I move, seconded by the hon. member for Winnipeg South Centre (Mr. Churchill):

That Bill C-125 be not now read a third time, but that it be referred back to the committee of the whole house for the purpose of reconsidering the effective date set out in clause 4 thereof.

Mr. Pickersgill: Before putting the motion, Mr. Speaker, I suppose Your Honour will give the usual consideration to the question of whether it is in order.

Mr. Knowles: If Your Honour has any intention of commenting upon the point of order which has been raised by the Secretary of State, I trust you will hear argument first.

Mr. Speaker: I have already given a very quick consideration to this matter. The motion is in general terms and I see nothing in it which would make it out of order. Therefore under the rules of the house it is my duty to ask if the motion meets with the pleasure of the house.

Mr. Stanley Knowles (Winnipeg North Centre): The way you have put it, Mr. Speaker, is of course the easiest way to get the determination as to the wish of the house. We can do that by a vote, but perhaps it might be said for the record that we in this party also feel very strongly that the effective date of this bill should be reconsidered. We are delighted that the hon. member for Perth has moved an amendment in general terms so that it is in order. The import of the amendment is quite clear, namely that reconsideration of the effective date should result in that date being changed so that these increases in old age assistance, blind allowances and disability allowances will be effective on the same date as was the increase in old age security. The date of that increase was October 1.

We think it is unfortunate that thus far that is not the effective date of these three pieces of legislation. As was pointed out the other day, every time there has been an increase in old age security and in the other related programs the effective date has been the same. It is a shame to spoil the record this time. These three increases should also be retroactive to October 1. We support this amendment very strongly, and we are prepared to show our support by our vote.

Miss LaMarsh: When this matter was raised the other day I pointed out—

Mr. Speaker: The hon. member for Medicine Hat.

Mr. H. A. Olson (Medicine Hat): I am not quite sure at what stage we are with this amendment, whether Your Honour has put the motion or whether we are speaking to a point of order. However, I should like to say that this party is in favour of making the retroactive date October 1. In fact we, like so many other members, are in favour of increasing old age pensions, assistance to the blind, the disabled and so on.

However, I believe we have to be realistic and practical. We have to realize that the federal government is only paying 50 per cent of the increases that are under consideration in these three fields. If this matter were to be referred back to the committee for reconsideration I suggest to you we would also have to refer the matter to another federal-provincial conference so agreement could be reached for the provinces to pay the other 50 per cent. If I understood correctly, some statements were made in this house earlier that the effective date of December 1 was in some respects a compromise. There were provinces which expressed the desire to make the effective date of this increase April 1 or some time later. I think the interests of the people who are actually going to receive these increases would best be served by passing this measure now when we have agreement from the provinces on the effective date of December 1.

If we referred this matter back to a committee and then parliament did set the effective date as October 1, I submit that the actual increases would be held up for a considerable length of time while another federal-provincial conference was called to ascertain whether the provinces were willing to participate to the extent we all know they do. Therefore, Mr. Speaker, while a lot of high sounding platitudes can be used in referring to these measures, we want to be realistic and practical, and when we have this agreement between the ten provinces and the federal government on this date we would do these people a favour by making the measure law as quickly as possible.

Mr. T. C. Douglas (Burnaby-Coquitlam): I rise merely for the purpose of pointing out that a change in the effective date of this legislation will not hold up in any way the payment of the increased pensions. This is enabling legislation. Its passage will simply indicate that the federal government is prepared to pay its share of these pension increases as of October 1. Any province which does not want to pay these increases will pay on the old basis and the federal government will pay its share on that basis. There are provinces which will want, as I suggest most of them will, to pay the increases and make them retroactive as of October 1.

I certainly oppose very strongly this suggestion that the passage of this amendment and the proposed change in the effective date will hold up payment of the increases. There would be no need to call a federal-provincial conference. This is purely enabling legislation. It would merely allow the provinces to make the increases retroactive to October 1 if they so chose. It would leave them the alternative of paying the increases when they are prepared to do so.

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, I agree with the remarks of the hon. member who has just resumed his seat.

First, when we passed the legislation concerning old age pensions, all of us received representations from disabled persons, blind persons and crippled people who also asked for an increase in their pensions.

I am of the opinion that the hon. member for Burnaby-Coquitlam (Mr. Douglas) is absolutely right when he states that if the federal government passes this legislation and makes it retroactive to October 1, it says that it is ready to supply the necessary 50 per cent as suggested to the provinces, the provinces being free afterwards to accept or refuse the offer of the federal government.

Then the Canadian people will not blame the federal government if the pensions are not paid. I do not think that the passage of the amendment will delay in any way the passing of the legislation concerning pensions for the disabled or the blind, as of December 1, as was agreed with the provinces. As far as retroactivity is concerned, it would be accepted by provinces that would so desire as of October 1, exactly at the same time when our older citizens received a $10 increase.

We on this side of the house do not see how a member can be against the amendment of the hon. member for Perth (Mr. Monteith). So we agree entirely to the amendment and ask the federal government to offer to the provinces 50 per cent of the increase in the pensions for the disabled and the blind, at the same time as the pensions granted to our older citizens.

[*Text*]

Mr. Speaker: Is the house ready for the question?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Mr. Speaker, the hon. member for Burnaby-Coquitlam has suggested that passing such an amendment would not have the effect of causing a delay

with respect to these payments. Hon. members would have no reason, I suppose, to understand that these payments are made on the basis of individual agreements signed with each province. Thirty six agreements in all will have to be negotiated and signed in order to make these payments. I asked my department a couple of days ago what would be the latest date by which this legislation could be passed so that we would be sure that the recipients of these assistance payments could receive them before the end of this year. This, unlike old age security, is not a matter where we can mail out cheques in time if we pass a certain date. Agreements cannot be negotiated and signed until we have royal assent. All hon. members of the house know there is about a week to go in which this legislation might be passed in the other place and receive royal assent. After that time the agreements would have to be negotiated. It seems hardly likely it would be possible to have the agreements executed in time for December payments to be made.

There is, however, another point, and it is one which I ask all hon. members to consider. It is this. In this parliament there has been a great deal of talk from all sides of the house about the necessity for agreement, discussion and understanding between the federal government and the provincial governments. This matter was, as the house was frequently advised, on the agenda of the last dominion-provincial conference and was discussed during the whole of the day given over to pension matters. While a number of provincial premiers indicated that their own governments were prepared to match the federal government's share should there be increases under these assistance programs, at the conference, attended as it was by the ministers of health and of welfare of the various provinces, not one premier suggested that there was any merit in a retroactive payment.

The administration of this plan lies not with the federal government but with each of the provincial governments. The hon. member for Perth must know, since he had the responsibility for this department, that there are a number of differences in the way the administration is handled by the various provinces. Their advice to us was that the administrative difficulties were very great in making such payments retroactive. These are assistance programs; most of them are based on satisfying means tests. It is not as simple a matter to administer such programs as it is to date back legislation to make flat rate payments retroactive.

[Miss LaMarsh.]

All hon. members have agreed that it is a good thing to consult the provinces in advance. Some hon. members in the house and outside the house have directed certain critical remarks to me, suggesting that I have not consulted others in advance in certain instances. But the course of advance consultation was taken here, because it is not only federal money that is committed, and it is late in the fiscal year. We would be imposing a burden on the provinces, and let us not have any sophistry about this. While it is true that provincial governments may decide whether or not to pay their share, let us have reference, as a matter of practical politics, to the fact that no provincial government could resist the pressure to make the increase available if we had in fact enacted this legislation. Each one of the provinces thus would have to assume a burden for which they did not budget in the spring of this year.

No hon. member in the house can have failed to observe what every provincial representative said in this capital only a few weeks ago; that they were all short of money for the programs which they themselves had already brought in. They were here seeking additional revenue for this purpose. What is involved in this amendment is, I suggest, an invitation to the federal government now, after full consultation, after hearing the opinions of the provincial governments, to act in breach of its word; to deliberately put a gun to the head of each provincial government and say to it "You try and resist the pressure from your own people now. We have really forced you into a deficit position because we have decided upon this. Notwithstanding what you said, we know better".

Well, Mr. Speaker, it is sometimes suggested from the opposite side of the house that we on this side have taken the position that we know better. We have tried to show in our actions with respect to these shared-cost programs our desire to consult with the provinces, who are closer to the people in this respect; and we have, in consultation—as I explained to the house earlier—and after considerable discussion as to how difficult it is to make a retroactive payment of this kind, decided to make it payable at the earliest possible time, which is December 1.

If this legislation is not proceeded with now even that may not be possible, and it may very well be that in at least some provinces the passage of this amendment would result in needy individuals being deprived of this $10 increase. It would depend, of course, upon the final decision of the provincial government concerned. Those who would pass such an amendment must bear the responsibility for that. I ask my hon.

friend, who was minister of this department and I am sure has at heart the best interests of these recipients of such allowances, to consider for himself and his colleagues the position which could result. I ask the hon. member for Burnaby-Coquitlam and his colleagues to consider what might happen; and I ask, sir, bearing everything in mind, that the vote be against the amendment and we be allowed to make these payments effective December 1, to keep faith with the provinces and to be sure that we get the money out to these people as quickly as possible.

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I rise very, very briefly simply to say that the specific references made by the minister are somewhat irrelevant in considering the general terms of the resolution, and we suggest that the question be now put.

Mr. Speaker: The hon. member for Burin-Burgeo.

Some hon. Members: Question.

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, may I ask Your Honour for clarification with respect to the point raised by the last speaker. It has always been my understanding that a motion is not in order if it seeks to do something indirectly which cannot be achieved directly. This motion is couched in general terms. I assume that if the date of October 1 had been written in, it would have been out of order.

Mr. Speaker: Order. I am very sorry to interrupt the hon. member, but at this point the Chair does not know exactly what means the opposition are going to use under the terms of the proposed amendment. The motion is in general form, and to my way of thinking is in order. I have already given a decision on the point, and I do not think the hon. member can contribute much by continuing his line of argument.

Some hon. Members: Question.

Mr. Speaker: Is the house ready for the question?

Some hon. Members: Question.

Mr. A. D. Hales (Wellington South): Mr. Speaker, just before you put the question I would like to say a few words on this amendment. I think this is just another example of the Minister of National Health and Welfare trying to put across a piece of legislation as terrifically messed up and jumbled as anything that has ever been before this house. If the whole matter had been conducted in the proper way and the old age security assistance and blind persons and disabled persons allowances had been discussed and studied with the provinces, we would have had this program decided upon all at once and there would have been no discrimination.

The house divided on the amendment (Mr. Monteith) which was negatived on the following division:

YEAS

Messrs:

Aiken
Alkenbrack
Balcer
Baldwin
Barnett
Belanger
Bigg
Boutin
Brewin
Cadieu (Meadow-Lake)
Cameron (Nanaimo-Cowichan-The Islands)
Cantelon
Caouette
Cardiff
Churchill
Clancy
Coates
Cooper
Crouse
Danforth
Diefenbaker
Dinsdale
Dionne
Doucett
Douglas
Enns
Fane
Fisher
Flemming (Victoria-Carleton)
Forbes
Gauthier
Gregoire
Hales
Hamilton
Herridge
Horner (Acadia)
Horner (The Battlefords)
Howard
Howe (Hamilton South)
Howe (Wellington-Huron)
Irvine
Kennedy
Knowles
Korchinski
Lamb
Lambert
Langlois
Laprise
Latulippe
Loney
MacEwan
MacInnis
MacLean (Queens)
Macquarrie
McBain
McCutcheon
McIntosh
Madill
Mandziuk
Martin (Timmins)
Martineau
Millar
Monteith
Moore
More
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nasserden
Nesbitt
Nielsen
Nowlan
Orlikow
Ormiston
Pascoe
Paul
Perron
Peters
Pigeon
Prittie
Pugh
Rapp
Rheaume
Ricard
Rondeau
Scott
Simpson
Skoreyko
Smallwood
Smith
Southam
Stefanson
Thomas
Valade
Vincent
Watson (Assiniboia)
Webb
Webster
Weichel
Willoughby
Winkler—100.

NAYS

Messrs:

Armstrong
Asselin (Notre Dame de Grace)
Asselin (Richmond-Wolfe)
Badanai
Batten
Beer
Benson
Berger
Blouin
Byrne
Cameron (High Park)
Cantin
Cardin
Carter
Cashin
Chapdelaine
Chevrier
Choquette
Chretien
Côté (Chicoutimi)

Côté (Longueuil)
Cowan
Crossman
Cyr
Davis
Deachman
Denis
Deschatelets
Drouin
Drury
Dube
Dupuis
Emard
Ethier
Eudes
Favreau
Forest
Forgie
Foy
Francis
Frenette
Garland
Gelber
Gendron
Girouard
Godin
Gordon
Granger
Gray
Greene
Groos
Guay
Habel
Hahn
Haidasz
Harley
Hays
Kelly
Klein
Laing
LaMarsh, Miss
Lamontagne
Lamoureux
Laniel
Laverdiere
Leboe
Leduc
Lessard (Lake St. John)
Lessard (St. Henry)
Lloyd
Loiselle
Macdonald
MacEachen
MacNaught
McIlraith
McMillan
McNulty
McWilliam
Marcoux
Martin (Essex East)
Matheson
Matte
Mitchell
Moreau
Morison
Mullally
Munro
Nixon
O'Keefe
Olson
Otto
Ouellet
Patterson
Pennell
Pepin
Pickersgill
Regan
Richard
Rideout
Rinfret
Robichaud
Rochon
Rock
Rouleau
Roxburgh
Ryan
Sauve
Sharp
Tardif
Teillet
Temple
Thompson
Tremblay
Tucker
Wahn
Watson (Chateauguay-Huntingdon-Laprairie)
Whelan—117.

Mr. Speaker: I declare the amendment lost.

Mr. Rynard: I was paired with the hon. member for Brantford (Mr. Brown). Had I voted I would have voted for the amendment.

Mr. Mackasey: I was paired with the hon. member for Bow River (Mr. Woolliams). Had I voted I would have voted against the amendment.

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

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, $1,057,600.

Hon. Harry W. Hays (Minister of Agriculture): Mr. Chairman, as I mentioned a week or so ago, I thought that probably many members on the other side of the house were missing me. I realized this when they complained so much that I was away. I am pleased to be here today. I am pleased to present the estimates. I might also suggest that this is a happy time for agriculture.

The main estimates of the Department of Agriculture for the 1963-64 fiscal year total $171,848,900. Of this amount $129,365,900 is to be voted and $42,483,000 is statutory. The statutory items include provision for the payment of carrying costs of temporary wheat reserves and payments in connection with the Prairie Grain Advance Payment Act. I should explain to the committee that the present main estimates were drawn up under the previous government and before responsibility for the Canadian wheat board was placed with the Minister of Trade and Commerce. It is for this reason that funds required under the Temporary Wheat Reserves Act and the Prairie Grain Advance Payment Act appear in the main estimates of the Department of Agriculture this year.

In addition to the main estimates, two supplementaries have been tabled containing votes for the Department of Agriculture. Supplementary estimates A provide for a total of $372,250, covering various items for which additional funds are required. Supplementary estimates D contain an item for $1 million to provide for the payment of winter storage on western feed grains in eastern position, which I shall refer to later.

In my brief period of office as Minister of Agriculture I have been impressed with the services and the leadership provided by the department to the farming community. It is obvious, of course, that these functions cannot remain static. They must be arranged to meet the changing needs and circumstances of Canadian agriculture, as indeed they have been periodically over the long history of the department.

In the beginning, before the turn of the century, when science was making its first impact on farming, the major preoccupation of the department was in assisting farmers to introduce new cultural and husbandry techniques. This was the period of the inauguration of the experimental farms system and also of the department's veterinary work.

In the earlier part of this century the department's interests expanded gradually into the marketing field, notably in the standardization and grading of a wide range of farm products. The Hon. W. R. Motherwell was particularly responsible for these developments during his period as minister.

The department's entry into the field of rehabilitation and water conservation started

in the 1930's under the leadership of the Right Hon. J. G. Gardiner. This was the era which saw the beginning of the prairie farm rehabilitation and maritime marshland rehabilitation administrations. In the 1940's, price supports for farm products became a part of agricultural policy. In the late 1950's, under the then minister, the hon. member for Calgary North, crop insurance was introduced, the Farm Credit Corporation was established to take over and enlarge the previous functions of the farm loan board, and a start was made on a wider rehabilitation program which was subsequently introduced as the Agricultural Rehabilitation and Development Act. Thus step by step over many years the activities of the department and its associated interests have been adjusted to meet and serve the needs of Canadian farmers.

In the present circumstances of Canadian agriculture it is becoming clear we are concerned with two broad groupings. On the one hand we have a viable, progressive farming industry made up basically of efficient farms operating on good agricultural lands. Increasingly this is becoming an industry of strong family farm business enterprises. While this side of farming does have occasional difficulties in its various segments, it is essentially in a sound position and is able to benefit from the wide range of government activities in such fields as research, production and marketing policies and credit arrangements.

On the other hand we must recognize that we do have a segment of our agriculture where underemployment is serious, the standard of living low and the size of the operations marginal. This segment, unfortunately, does not benefit greatly from the type of policies which are helpful to the more fortunate section of the farming community. In the main, the less productive segment of our agriculture is located in our poorer land areas, individual operations are small by present standards, and the people concerned endeavour to augment their farm income by other employment. This circumstance is not peculiar to Canada. It is being experienced in many countries and farm policy generally is being shaped to include measures to alleviate the circumstances of people in this lower income segment of agriculture.

The objective of rehabilitation and development programs must be to enable people to stand on their own feet and become a viable part of the economy. The necessity of policies for this purpose is recognized and strongly supported by the government. As an indication of this I might point out that since May 1, 1963, 112 ARDA projects have been approved involving expenditure commitments of $4,610,000. This compares with a total of 136 projects approved prior to May 1 with expenditure commitments of $2,119,000, or since May 1 we have almost doubled the dollar expenditure in this area. In addition, in six provinces the government of Canada is financing research projects to secure information on which sound programs of rural development can be initiated in problem areas.

Rural development is a particularly challenging aspect of rehabilitation and the one under which, in co-operation with local interests, the circumstances in less productive farming areas are examined and means sought to improve the employment and income opportunities of the local people. This a complex problem and there is no simple or single approach to it. My department will continue to work closely with other departments of government, with the federal-provincial technical and vocational training programs, with the Department of Industry and particularly the area development agency, and with the Atlantic development board and, of course, the provinces to help assure the kind of co-ordinated approach that is surely required.

It is basic to the rehabilitation program, both P.F.R.A. and ARDA, that we develop as quickly as possible a complete inventory of all our lands now devoted to farming to determine the most appropriate use which can be made of them. We refer to this as the Canadian land inventory. Under this the classification of lands according to their suitability for agriculture is now well under way in co-operation with the provinces. Since I assumed office I have signed agreements with eight provinces to carry on this work at a total cost of $126,000. This is in addition to the resources of my department which are being devoted to it.

The Canadian council of resource ministers has agreed, at our suggestion and with federal financing, to sponsor the extension of this inventory to assess the extent to which present farm lands may be more suitable for forestry, recreation and wildlife. In short, we need this particular inventory as a basis on which to build joint federal-provincial policies and programs.

Soil and water conservation is also extremely important. In addition to substantial action programs under P.F.R.A., M.M.R.A. and ARDA we are working with the provinces on research into longer term water conservation problems. These include irrigation areas in Alberta, ground water supplies in Saskatchewan and water sheds in Ontario.

The present master ARDA agreement with the provinces is in effect until 1965. The agreement was deliberately limited to a three year

period to enable both levels of government to gain experience on which to develop a sound basis of operations in the years ahead. There will, therefore, have to be extensive consultations over the next year to decide on long term rehabilitation programs. While rehabilitation matters must command our attention, we must be concerned also with strengthening the ability of our farmers to compete with the produce of other countries on export markets and in their home market. This requires continuing attention to efficiency in both production and marketing.

This, if course, is the purpose of research. I am sure that any minister coming to the department would be impressed with the ability and dedication of the scientists who serve agriculture in the department's research activities. We spend considerable money on research. Over 20 per cent of departmental funds are devoted to it. However, the benefits which have flowed to Canadian agriculture have justified those expenditures many times over. In fact, the difficulty is to apportion the available funds to meet the demands for research from different parts of the country and from various segments of the industry.

Since I assumed office, I have visited several of the department's research establishments and have appraised service which they are rendering. I intend to continue this practice as opportunity affords. Some are outstanding. Most are of high calibre. A few need strengthening, both in relation to their programs and in respect of their relations with the farming communities in the areas they serve. The responsible officials are appraising this. I support the requirements for research, believing as I do that research directed to the needs of agriculture is fundamental to our farming industry.

One area where the department's research programs needs to be strengthened is in the province of Quebec. We have decided to establish a research laboratory in association with the faculty of agriculture at Laval University and to develop an enlarged horticultural research station at St. Jean.

I am convinced, too, of the need to strengthen livestock testing programs to ensure that our livestock operations remain fully competitive with those of other countries. This is necessary with beef cattle. It is necessary with hogs. On the matter of livestock, while the department has been able to improve its veterinary staff position to some extent, there is still a basic shortage of veterinarians in Canada, as indeed there is throughout the world. The department employs about 25 per cent of all Canada's veterinarians. To help improve the situation, the government offered to assist to establish a veterinary college in western Canada by contributing 25 per cent of the capital cost to a maximum of $625,000. The western provinces accepted this offer and they have decided the college will be established at the University of Saskatchewan in Saskatoon. In fact, it is well on its way.

As I said previously, this is necessary with beef cattle. It is necessary with hogs, where we are gradually losing the quality advantage we have enjoyed for our pork in the United States market, as that country improves its hog quality. On my visit overseas this summer, I was impressed with the hog programs in some European countries. I had sent a mission of our technical people to Europe to look into these in depth. As a further step to strengthen livestock testing, we have removed the earlier restrictions on r.o.p. testing for dairy cattle.

On the international trade front, exports of Canadian agricultural products for the first nine months of this year amounted to $861 million, compared to $803 million for the same period last year. All but a small part of the increase is due to expanded wheat sales. For this crop year, exports of Canadian wheat and flour are expected to be in excess of 550 million bushels. The largest quantity exported in any past year was about 400 million bushels. This year we will export 150 million bushels more than in any previous year.

A number of events which could prove significant for the future of agricultural trade have been taking place. As my colleague, the Minister of Trade and Commerce, reported earlier this year, a meeting of ministers was held under the general agreement on tariffs and trade in Geneva last May. The ministers then decided that a new round of comprehensive trade negotiations would begin in May 1964, that these negotiations should cover all products, and that they would deal with both tariffs and non-tariff barriers to trade. The non-tariff barriers have assumed particular importance in agricultural trade in recent years.

A trade negotiations committee was established to prepare for the negotiations, and during the past summer they set up a committee on agriculture to consider and submit to the trade negotiations committee recommendations in regard to the rules to govern and the method to be employed in the creation of acceptable conditions of access to world markets for agricultural products in furtherance of a significant development and expansion of world trade in such products. This agriculture committee met recently and made an initial study of the many problems that will be involved in the agricultural negotiations.

For particular products for which special trade arrangements might be more appropriate, such as wheat and coarse grains, meats and possibly dairy products, the GATT ministers decided that special groups should be established as negotiating bodies. The cereals and meat groups have begun their work and a pilot group has been established for dairy products to review the trade problems in dairy products and determine whether a special group would be the most effective way of dealing with these products. The cereals group has agreed to move into actual negotiations early in the new year. These negotiations would be expected to take several months and would aim for a new world grains agreement to cover wheat, flour and the principal coarse grains. These could prove to be important and far reaching negotiations and it is likely that access to important markets as well as production and price policies of both importers and exporters would be brought into the framework of the negotiations.

What progress will, in fact, be made in the over-all agricultural negotiations is not yet quite clear. The members of the European economic community have still not reached agreement among themselves on a number of basic policy decisions about their own agricultural arrangements. The United States has stated on a number of occasions that if progress is not made in the negotiations on agriculture, it will be unable to reduce its industrial tariff. Much will depend on the extent of the participation of these two major trading partners. Canada, of course, will be playing her full part, with the interest of our own relatively efficient agriculture industries very much in our minds.

Reverting now to domestic matters, I might say a word about crop insurance.

Mr. Pickersgill: I wonder if I might interrupt the minister, since he is starting now on a new item? I have an indication that there might be agreement to go on until just a minute or two before six, since there is one private bill, I think the first one, that there would be some disposition to consider briefly. If that were the unanimous wish of the committee, it would give the minister a chance to complete his remarks without interruption.

The Chairman: Is it agreed?

Some hon. Members: Agreed.

Mr. Hays: Reverting now to domestic matters I might say a word about crop insurance. The crop insurance schemes are operated by the provinces. Under the Crop Insurance Act, the federal government supports approved provincial schemes by paying 20 per cent of the premiums and reimbursing the provinces for 50 per cent of their administrative expenses. If the claims in any one year exceed reserves plus $200,000, the federal government will lend a province 75 per cent of that.

I am sure we are all hopeful that crop insurance will expand so that farmers may protect themselves against serious crop failures due to circumstances beyond their control. However, an impediment to its expansion, particularly in some of the western provinces, is the concern of the provinces that a serious, widespread crop failure before adequate reserves had been built up may put a severe strain on their financial resources. I can inform the committee that the government is entering into discussions with the provinces with a view to working out an arrangement under which the federal government would be prepared to reinsure a part of the residual risk which now falls completely on the province.

We are also examining whether the present provisions with respect to farm credit are adequate for the present needs of Canadian agriculture. This is a matter of considerable interest to farm organizations and a brief with respect to it has been submitted to me by the federation of agriculture.

The farm credit corporation, at my request, has been studying the matter and examining programs in existence in other countries. I have asked the corporation to undertake a survey of a cross-section of Canadian farmers to determine their views and requirements.

There is a matter which has some association with farm credit which I would like to mention briefly. It is associated also with the net income position of farmers, which is dependant on two considerations. One is the revenue from the sale of produce; the other is farm operating expenses.

Many measures have been taken by governments, at both the federal and provincial level, to help stabilize and improve farm income. Farm operating costs, however, continue to rise and it is becoming increasingly important that farmers, with government guidance and leadership, look for ways to economize in their operating costs. One field which we are exploring is that of farm machinery. In 1961, depreciation on machinery, interest on investment and repairs represented 20 per cent of total farm expenses. A survey of a sample of grain farms in the prairies in 1962 showed that these items contributed about 50 per cent of the expenses there. An additional consideration is the heavy capital cost of farm machinery and equipment, which often is financed at a high interest rate. This capital cost of machinery is, indeed, one of the most serious stumbling blocks to young

men wishing to enter into farming. I doubt if many industries could bear the capital cost for equipment which is used for such a short period each year, as is the case with many items of farm machinery.

Can some means be found to permit farmers to make increasing use of farm machinery on a rental or pooling basis and, to the extent that this is feasible, avoid some of the heavy capitalization and carrying costs which they now incur? This is a matter in which I have had some personal experience. On my farm this year I had my 750 acres of grain combined on a custom basis at a cost of slightly under $4 per acre, or a total of $2,800. I calculate this is about what the interest, depreciation, repairs and operating costs would have cost me in a year on a $9,000 combine. We are exploring this whole matter and looking into operations in other countries. I intend, also, to discuss it with provincial ministers of agriculture at our conference here starting on Monday of next week.

Mr. Chairman, at the beginning of my remarks I referred to a supplementary vote of $1 million to provide for winter storage charges of western feed grains in eastern position. This policy was announced by the government in August of this year and I would like to familiarize the committee briefly with its background and results. The feed grains which livestock and poultry producers need from western Canada during the winter months to supplement local supplies must be brought east before the close of navigation or else bear the much higher cost of rail movement. It is important, therefore, that adequate stocks for the winter be brought in before the close of navigation. There have in the past been two circumstances which have been an impediment to this. Since the buyer assumes the carrying costs when he purchases grain at the lakehead, there has been a tendency to delay winter purchases until near the close of navigation. This has put pressure on both supplies and prices at that time.

This pressure on prices has often resulted in cash prices of coarse grains at time of shipment being above the May option, so that the cost of any carry-over stocks after the opening of navigation in the spring, with accumulated carrying charges, is higher than the current replacement cost. This in turn has tended to restrict the total movement for winter use. To remove these impediments the government introduced on August 22, as part of its feed grain policy, the payment of accumulated storage charges on western feed grains in licensed eastern elevators from October 15 to April 15. It is now apparent that this has resulted in an earlier and larger movement. At November 27 the stocks of western feed grains in eastern position were 62 per cent above last year at the same time.

The government recognizes the importance of feed grains to the livestock industry of eastern Canada and British Columbia. There will probably be a gradual expansion of feed production in the east, which would appear to be in keeping with sound farming practice, but certainly for the foreseeable future the east and British Columbia will require considerable and increasing quantities of western feed grains. There have been proposals from farm organizations that a body be established to administer the feed grain policy and to act in a general liaison capacity between feed grain buyers and the various agencies and interests involved in the supply and movement of feed grains. Those making the proposal do not envisage that the body would act as a buying agency, and it is clear that it could not control prices or dictate priorities for shipping and storage. The government sees merit in having an administrative arm responsible for the feed grain policy and to act in a liaison capacity in feed grain matters, and intends to move in this direction.

The measures introduced by the government this year to place more incentive on the production of cheese and to remove some of the incentive on butter production in the non-manufacturing milk side of the industry appear to be having favourable results. The production of butter in the present dairy year, extending from May 1, 1963, to April 30, 1964, will certainly be no more than consumption, and indeed it now looks quite probable that it will be necessary this winter to draw on some of the reserves which have been accumulating in previous years.

After consulting with friendly countries which are traditionally dependant upon butter exports, the government has decided to take steps to dispose of some of the butterfat surplus which has accumulated over past years. In the course of doing this we shall be careful to avoid disruption of international markets. We are able to move about 5½ million pounds of butter under a special quota established by the United Kingdom, and we are now engaged in selling stocks of butter oil which amount in total to some 80 million pounds. We have firm commitments to date for export sales of over 15 million pounds of butter oil. I think it will be accepted by all Canadians that the disposal of this surplus on export markets, even at a substantial loss, is preferable to sitting on stocks indefinitely and paying annual storage charges of some $4 million to $5 million, particularly since there will be no further accumulations of butter in this dairy year.

The emphasis given to cheese under the dairy support program for the present year

has been successful in achieving an increase of about 20 per cent in our cheese production. All present indications are that this increased volume will be handled without serious difficulty. Indeed, I am impressed by the fact that the demand in export markets for top quality mature Canadian cheese exceeds the available supply, and my department is exploring means to direct our dairy assistance program to encourage an increase in the production of this type of cheese.

Mr. Chairman, in all these matters involving agricultural policy it is important that there be close discussion and co-ordination between federal and provincial interests. I met with the provincial ministers of agriculture at their summer conference in Edmonton and we will be meeting again at the federal-provincial agricultural conference here on December 16, 17 and 18. The provincial and federal governments have important roles in the development of policy in the interests of Canadian agriculture. I regard it as important, and I know the view is shared by my provincial colleagues, that there be close liaison between us in the common interest of agriculture.

Mr. Hamilton: Mr. Chairman, do I understand that we are to revert to private members' hour at a few minutes to six o'clock?

The Chairman: Yes; the understanding of the Chair is that we are to go on until a few minutes before six.

Mr. Hamilton: Mr. Chairman, I think it would be an understatement if I said that the house was awaiting the minister's statement with some interest. I think you can readily understand that in view of some remarks which the minister made over the last six or seven months, we were awaiting his statement on these estimates with considerable interest. But now that we have had this statement some of us are wondering what kept it so long, because quite frankly I believe as a Canadian there is a future in farming. However, in view of the minister's statement, I sometimes wonder how that is going to come about, unless there is a very serious realization on the part of the government that fundamental problems now before us need fundamental solutions.

First, I am going to mention a few of the things mentioned by the minister, and then suggest where I think the emphasis should go; because in talking about agriculture we should never lose sight of the fact that a big problem existed, that it was tackled a few years ago, and that we want nothing to interfere with the solution to the problem.

The minister mentioned that there are two broad groups in Canada, the farmer who has adjusted to the conditions of agriculture today and who can be labelled as efficient, and then the marginal farmer. I listened intently as the minister spoke to see if there was any sign that he understood not only the depth of this problem but the fundamental nature of the solutions that must be undertaken.

Not so long ago, on October 14, it was my privilege to move a motion of no confidence in the government on the basis that no action was being taken on a short term solution to meet the problems of eastern farmers. In the over-all picture today we have one basic fact to consider, that with the tremendous and rapid growth of technology in agriculture in the western countries, the industrialized countries where agriculture has almost led the way in technological changes, these countries have a capacity to produce far greater than the ability of their domestic populations to consume.

That fact can be looked upon as a threat to the well being of our farmers, or it can be looked upon as a great asset to be used in the over-all process of developing the income of our country and serving the people of the world in general. When I heard this mention of the two groups I thought we would also hear some indication that there was complete understanding of the necessity of what could be done to take this great ability to produce and harness it for the good of the world, and at the same time have policies in effect that could do something to lift up these farmers in the marginal group.

It was a buckshot treatment of the subject. Some of the matters that I think come close to meeting these two problems were mentioned, but there was no evidence I could find that there was a deep understanding of what the main problem is.

On October 14, when I outlined the extent of this problem, I indicated from the statistics provided by the 1961 census that 43 per cent of the farmers in Canada had a gross income, before deduction of expenses, which could only be considered as verging on slum conditions. The minister spoke after me on that occasion and said that these figures were for losers, and this was all a bunch of junk. I do not know how the people on these marginal farms in Ontario, Quebec and the maritimes feel about his saying their problem is just a bunch of junk, but I did think that after the couple of months elapsed since that speech was made, there would be an indication of some action, and less talk. I say this because away back on October 14 we heard all about what had to be done with respect to machinery costs. The minister said this was going to be studied, but today we are going to study it once again.

For the minister's information I can tell him we have been studying this problem of machinery since the 'thirties, and there have been innumerable committees set up and innumerable proposals made, but still we wait for the action. A committee was set up during the administration of the previous government, which was trying to get at the basic troubles and was making good progress. However it was cut off with the change of government, and this matter has not come again before the committee on agriculture and colonization.

Therefore I would like to suggest here, with regard to the action that has to be taken, both on behalf of making use of the tremendous capacity to produce of the efficient farmer and finding him markets at remunerative prices and, second, with regard to getting at these marginal farmers' problems, that I listened in vain for some indication of a deep understanding of what these problems implied and the actions that must be taken. Instead, we had this rambling account, covering the whole broad field, without the evidence that there is something deep behind these various suggestions.

Mr. Chairman, I will give you an example of what I mean. The minister said that up until May 1, there had been 122 projects signed under ARDA. Then he said that since May 1, there had been 136 projects signed and, *ipso facto*, he was doing a better job than the previous government. Well now, I wanted to hear something of his philosophy of ARDA. Is he going to make ARDA purely a question of signing contracts with provincial governments to do certain things, or does he intend to insist in his department that the philosophy of ARDA, agreed on by the provinces and the federal government, shall be maintained?

This philosophy I am talking about is that ARDA will not degenerate into simply doing things like draining a marsh or building a dam, but will go to the guts of the question, which is to raise the farm income in these marginal areas by looking for income opportunities; and if those income opportunities come in any line whatsoever, then they should be made available to the people on that land.

If studies indicate there is over population in some areas, then what is going to be done with that over population? Here is one of the biggest tasks that can be placed before governments all over the world. It applies to many other countries besides our own; but after 50 or 60 years of this problem's developing, finally, in the year 1961, a government took hold of it. There was no intent or intention of trying to solve the problem in one year, two years, five years or 20 years, but to start the ARDA operation accurately and make it work.

I will give you another example, Mr. Chairman, the philosophy of ARDA is to make every possible use of the land, and if ARDA is narrowed down into just a concept of agreeing with the provinces to build, as I have said, a drainage ditch or a dam, that is not the answer. The answer is to make the best use of that land.

When the minister mentioned the question of the land inventory I hoped he would then mention that this was tied in with the philosophy of ARDA, because this question of land inventory is not new. However he did mention, when he talked about the inventory, that he would look to see if this land could be better used for forestry, recreation or wildlife. This is what I mean by extra opportunities. We must not consider ARDA purely in the traditional sense of agriculture, but rather as a device, as administrative and legislative machinery to make the best use of our land and to increase the income of the people on it.

These various agreements under ARDA will be watched very keenly by those of us in opposition. This is legislation which I think pioneered a concept that was at least equal, if not superior, to legislation in any other country of the world. The provinces support it wholeheartedly. The farm organizations support it wholeheartedly. Where it has been explained to the farmers, in many cases they know it is their only hope. Not only do I plead with the minister to dig into ARDA to try to understand its philosophy and its principles, but I ask that he become the living exponent of it and make sure that it is never narrowed down just to the traditional agriculture, but also exploring of all possible uses to which land can be put.

Still speaking of ARDA, Mr. Chairman, the organization of ARDA is not complete. If we are to carry through to the end the philosophy and principles of ARDA we are going to have to recognize that it must be a completely co-operative venture with the provinces. There can be no more of this business of the federal government deciding every little detail of what the provinces do. This problem is so immense and so close to the people who live in the country that the government closest to the people has the best knowledge of what to do; and when recommendations come up through the ARDA chain—through the group of ministers at the provincial level to the group of ministers at the federal level—the project in question should be looked at to see if it is in conformity with the general understanding of the general ARDA agreement, and there should be no quibbling over dotting

the i's and crossing the t's. It is the provinces' responsibility, and if in the opinion of the federal government these things do not fit into the over-all agreement and are at variance with the principles of ARDA, the provinces have to be told very plainly that the federal government will not support that program any longer. But ARDA will die if you try to control every dollar and cent which is spent. Surely if you make an agreement under the master agreement to cover the principle of a project, the provinces are in the best position to decide whether control should be confined in the first place to the local level. All that we should be concerned with is whether it follows the principles of ARDA, and we should make sure that the provinces do not abuse it in any way, go beyond the principles of ARDA or narrow down its concepts. So I say that there is need for a comprehensive look at the requirements of the country, and that is the job of ARDA at the federal level. Let the details of the administration and supervision of these projects rest largely with the provinces. Certainly we can maintain control of our dollars invested in them by a general perusal of those programs; but if we kill off each program by watching every nickel spent and by taking a year to decide whether or not a project should be approved, it is the quickest way to stop any progress under ARDA.

Still following along the line of the concept of redevelopment, the minister mentioned water conservation. He also mentioned irrigation in Alberta and groundwater table surveys in Saskatchewan; and I think he mentioned one more. These are good in themselves, and I have worked hard and long to get that groundwater survey started. But I waited today for one of the most important statements that the minister could have made. Speaking now of western Canada, surely he must be aware that for many years the great need of western Canada has been for a physical and economic survey of the Saskatchewan-Nelson river system. Surely he must be aware that the western Canada reclamation association and the South Saskatchewan river development association have both pleaded with governments to bring forward some form of joint study. Surely he must be aware that the federal government proposed to the three provincial governments concerned that we be all prepared to share the financing.

I know that this matter is one of constant interest, but I want the minister to know what is our feeling on this side of the house about this study. This is not just a study of the amount of water that flows down the river. We can ascertain that just by looking at the records of the northern affairs water resources branch. What we want to know is what are all the forms of water which we can get the use of over the next 30 to 40 years in the west. This has to be a co-operative study because the economic study of the area will lead to solutions which must be reached co-operatively. What I am frightened of is that some single department—I am referring to northern affairs and national resources—will say: "We want to do this study because we have a water resources branch".

If that happens, Mr. Chairman, the first thing the government will run into is the opposition of one or two of the provinces. The machinery for this study is ready now. We have the prairie provinces water board with three members from the provinces on it and two members from the federal government. This board should be authorized to carry out the study. The study should be speeded up, because we have wasted the last two or three years trying to get agreement with one of the provinces, and now that province shows signs of giving its agreement. This study should be both physical and economic. I am looking at all the possibilities of that river basin. I suggest that this prairie provinces water board realize that the P.F.R.A. organization has certain opinions; they realize that the P.F.R.A. has certain machinery to carry out the big aspects of the study. They know what the Saskatchewan research council is doing in this matter. With all this information available I ask them not to duplicate what is being done but to correlate it and fill in the gaps. I suggest strongly that this is something which would indicate that there is a comprehensive approach to redeveloping many of these areas of Canada; and on this particular aspect I am speaking about the prairies.

I am going to skip some of the subjects, Mr. Chairman, because I realize that I have not time to cover them all, and I am turning now to the question of the eastern farmer. Generally speaking, if one measures the health of agriculture by looking at the realized net income per farm over the past 10 or 12 years, this is the best knowledge that we have of finding out where the trouble lies. It is obviously not the final way but it is the best way that we know. I put on the record of the house two months ago some of the income statistics per farm by province and regions so as to indicate in a general sort of way how the income in the prairie provinces in the last five years has risen and is beginning to look fairly good. It is coming up. In Ontario it is just fair because the income of the good farms is balanced off by the low level of income from the marginal farms. In Quebec it can only be described as poor. There is an increase but it is a poor

level of increase. In the maritimes it can only be described in one short word, "bad". If we are going to look at the health of agriculture—and the income figure tells us where its health is bad—surely there should be a concentration of interest on the problem of the marginal farmer who has not been able to adjust, at the same time not letting down on our program to help the efficient farmer.

What evidence did we have in the minister's statement that there was a real and serious effort to get at this program? Almost none. What the minister said was that we are voting $1 million in these estimates and the supplementary estimates to pay for storage for grain stored in eastern positions for domestic use. He thought that this would answer all the eastern farm problems; that this would bring down, and has brought down, a sufficient supply to meet the needs. I am not going to repeat what has been happening in the standing committee, Mr. Chairman. I am going to put it in this way. There is a long range problem here. We have set up the machinery, both legislative and administrative, under ARDA to look after the long range program of adjustment. But we have to remember that there are short-range measures we can take, I should like to suggest five or six in number.

One of these is to get at the biggest single cost of the eastern farmer, the cost of feed grain. The minister suggests that by spending $1 million for storage in terminal elevators in Montreal, Quebec, Three Rivers, Halifax and other places this whole problem will be solved. I simply say, as I said on October 14, that this will not solve the problem. A farmer who is feeding stock wants to know what the price will be for the six months he is feeding. He wants to have stability of price. I do not know why the government shies away from this. This whole matter has been discussed in the committee, and we are working there. As you may know, Mr. Chairman, between 15 and 18 Progressive Conservative members, not only from the east but from the west, are there attending the committee every day, attempting to find some solution to this problem. Drawing evidence from witnesses is, sometimes, like pulling deeply rooted teeth, but slowly and inexorably we are reaching the point where we can make suggestions. Even if this government has no suggestions to make, the rank and file of that committee do have suggestions which will meet the needs of eastern agriculture.

There is no secrecy about it. We had a bill ready a year ago. The whole of this year has been wasted. Nothing has been done about the long range task of stabilizing the price of feed to eastern producers, who need to know what the price will be over the whole of the six months period. The eastern farmer is not complaining about the price the western farmer is getting. He is complaining because when he starts to feed he cannot be sure the price will remain stable. In the past the price has gone up during the feeding operation, and as a result eastern farmers have lost their investment. We have been waiting to see whether an announcement would be made on the occasion of these estimates to show that the government had produced a policy to meet the situation. But we are disappointed.

The minister went further and told us there should be some body set up to provide liaison between all the agencies of government and private business concerned with the supply of feed grain. I do not wish to go into detail about the work of the committee but I think the questions which were put to the witnesses and the answers which members of the committee received indicated that this suggestion cannot possibly meet the needs of the eastern feeders. I know this proposal was put forward by the Canadian Federation of Agriculture, but the representatives of that body did not look like very happy witnesses after they had been questioned by the members of the committee. Once again, the government is shying away from the main problem.

A government which is not prepared to move to help eastern agriculture in the face of the figures on record should not be sitting on the government side of this house. I speak harshly on this question because I feel deeply about it. The minister must be aware that a study was made last January of conditions in the five eastern provinces. I asked the provincial governments to pick areas in Ontario, Quebec and the three maritime provinces where income was below the average level. We sent in competent people to interview the farmers in these areas in depth. This study is now available to the hon. gentleman. I do not intend to ask for its reproduction, though I sometimes wish that a summary of it might be published. I honestly believe that if the people of Canada were made aware of the situation in 22 areas of eastern Canada, as disclosed in that study, the shame of it would force any government into taking action.

There are many things to be done. I suggested that we have five or six in mind. The first is to stabilize the price of feed grain, and this is going to be done, if the opposition has any say.

To return briefly to the situation of the efficient farmer. The efficient farmer has a tremendous capacity to produce. We have demonstrated that if we go out and search for markets, as we have done in the case of markets for grain, these markets can be

found. Today we face a prospect that by the end of 1965 the western farmer producing bread grain can increase his production by 15 or 20 per cent, using all the techniques available to him. I am not the least pessimistic about that. What a contrast with what was said in the Gordon commission report, in 1956, to the effect that we could look forward only to exporting 250 million bushels of wheat a year until 1980. Today, in 1963-64, not only are we going to hit an export figure of 550 million bushels, as has been suggested by the Minister of Trade and Commerce, but our exports are likely to exceed 600 million bushels and be closer to 625 million bushels. Russia has now come into the market as a regular buyer requiring definite quantities of wheat. The countries behind the iron curtain are saying they want to trade with us on a permanent basis. China wants to trade with us on a permanent basis. In these circumstances we must look forward to providing for export at least 400 million bushels a year. All this shows what can be done. I wish to turn, now, to eastern agriculture.

Who is carrying the mail for the dairy industry today? All we have heard today is that 15 million pounds of surplus butter have been got rid of. Is this the answer? The minister said the cheese market has been expanded. That is good, but I am thinking about a world which needs proteins and which is willing to pay for them if the stuff is available for sale. I know there are limitations. We have allies in New Zealand and Denmark, friendly democratic countries, and we would not think of putting our products on the world market at a dump figure. If the world price for butter is 32 cents. I am sure no Canadian government would sell it for less. If they did, and if, as a consequence, the world price fell to 27 cents or 28 cents, a serious charge could be laid against the minister that in exporting our surplus he had lowered the world price to the great detriment of our friends in Denmark and New Zealand.

I listened carefully to what the minister said about the desirability of an international agreement covering flour and coarse grains. Discussions in this direction should include dairy products, because this is the field in which agreement is most needed. We are, fortunately, in a sellers' market for grain and we can talk good terms. Today, the need is in the dairy industry. The answer to the difficulties of that industry will not be found in making a modest change in the price of cheese or in the price of skimmed milk powder, though all this helps. I have before me a speech made by Mr. Hannam—the last speech of a man who had given over 20 years of service to the farmers of this country. He says that short term solutions are not enough; there must be long term solutions. This particular speech was delivered in January, 1963. Then he went on to deal with the dairy industry. He said the government was working with the Canadian Federation of Agriculture to reach a national dairy policy. Well, I have not heard anything about this idea in the last eight months, although it was conceived more than a year ago. I have not heard of the birth of any policy. Has there been an accident in the meantime? Has there been a stillbirth? I do not know. But I do know this: The dairy farmers of Canada, particularly of Ontario and Quebec, expect some action to be taken by this government, not just a few words about what is happening to the price of butter, and so on. There is to be discussion with the provinces, not only next summer, at the summer conference, but in the conference to be held next week.

I would hope that the minister would concentrate on the problem of a national dairy policy. We had a conference on February 22 last. There was an election on April 8 and the government changed on April 22. I have waited all this time for some sign that the little idea we started with over a year ago resulting in the conference on February 22 last is going to flower into something tangible, because in addition to looking at the short term situation you have to look at the long term.

My time is nearly up. I could discuss crop insurance, net income and a few other things, but I think I have made my point clear.

The Chairman: Order. Has the hon. member the unanimous consent of the committee to proceed?

Some hon. Members: Agreed.

Mr. Hamilton: I will still shorten my remarks because I do not want to trespass on the committee. The minister likes to say that he is a pretty knowledgeable person with regard to agriculture. When any person points out the terrible conditions that exist in some segments of agriculture, he likes to say that this is junk. But he has come out today with this bits and pieces type of announcement that indicates to me he has no concept whatsoever of a broad, comprehensive policy to get at the fundamental needs of agriculture. Fortunately, even though he does not recognize it, he is operating today on the momentum of the seven point program announced in the house on August 20, 1958, and put into legislative form and administrative practice in the years that followed, which today is moving agriculture to higher and higher plateaus. As long as he does not understand it, fine; but I hope that with all the juggling he is doing he will not rock the boat.

In any farm policy the first concentration must always be on markets, not only for wheat and grain of all types but for dairy products and all products which we can produce in surplus. Second, there must be a constant effort to keep the agricultural stabilization board abreast of changing conditions. We introduced this act. It pioneered many new techniques and did a wonderful job, but I was never satisfied that we could not go further. I think of the potato producers who are without any protection under the act. I think of adjustments that can be made with regard to various products now coming under the board. I often think that the board would be more efficient and could go ahead and pioneer new techniques if it were more independent of the Department of Agriculture. An independent board outside the department could use the facilities of the department to get information, but could try to arrive at policies on the basis of what the members of the board thought were the principles of the act and without worrying too much about individual problems within the department.

Crop insurance is good legislation. We will support the government if they can come to some agreement with the provinces on the question of residual coverage. With regard to farm credit, after the October 14 speech I had expected a big announcement that we were going to get rid of a lot of the small farmers and go all out to help the big farmers, but that has not happened.

I have already discussed ARDA whose basic aim is to get at the problem of the marginal farmer, and I did say by inference that there should be regional policies to help such areas.

I was going to ask a lot of questions about the Liberal program announced in the last election but I do not think it would add anything to the level of the discussion we have had so far. I will end my remarks by simply saying that generally speaking the farmer is very satisfied with the fact that things are moving forward and that the government has not interfered so far with any of the policies we instituted in our years in office. The farmer is somewhat amused by the fact that certain things were promised before the last election and have not come to pass. He has waited to see if some action would be taken with regard to a second minister of agriculture to deal with eastern Canada. The Liberals did not have any policies for the east but they were going to have a second minister. But I think discussion of these things can be left to other occasions. We want to help the minister get his estimates through. We want to give him a chance to put his own estimates together for next year, and we will then examine those estimates most carefully.

[Mr. Hamilton.]

I welcome the minister to the committee on the occasion of his first presentation of the estimates of the department. I am sorry I have had to be very outspoken in my opinions but I feel very keenly about some of these matters and I would not have been doing justice to my thoughts if I had not spoken as I have.

The Chairman: Order. Would the committee consider this an opportune time to proceed to the consideration of private members' business?

Some hon. Members: Agreed.

Mr. Howard: Before you leave the chair, Mr. Chairman, may I draw your attention to the fact that I think this was to hinge upon the return of the sponsor of the bill standing first under private bills. He is not here yet. It also hinges to some extent upon the return of the hon. member for Danforth who is also interested in this bill. I understood the bill was to await their return, and the indication of agreement or otherwise.

Mr. MacNaught: That is substantially correct, and I suggest we carry on.

Mr. Enns: Mr. Chairman, since we are considering a change in the business I am wondering whether we could not go on with consideration of item No. 150 under private bills.

The Chairman: We can consider that when the Speaker is in the chair. At the moment we are still in supply. The hon. member for Timiskaming.

Mr. Peters: Mr. Chairman, we have waited for some time, as I am sure agriculture has waited, for a statement from the minister which I presumed would follow along the lines of the speech he made, indicating that there were at least four major problems facing agriculture today. We are surprised and I am sure all those connected with agriculture will be surprised at the statement made by the minister today, a statement prepared by civil servants revealing some of the problems of agriculture. Having read some of the minister's own speeches I am sure the one today is not in the same category.

Some things have been said this afternoon by the former minister of agriculture which I think warrant a reply by the minister, and I will be very interested in that reply because since I have been in the house there has always been a tendency to say to the government of the day: You are just carrying on something we started; you are simply amending it and making it a little better. In this case I would think it would be very difficult

to carry that very far because there does not seem to be much change in the situation at all.

In my opinion agriculture is in a very bad condition in much of Canada. It is quite true that the government through various agencies has been very successful in the marketing of one of our major products, wheat. It is quite true that we were very fortunate, and this really has nothing to do with government but is related to climatic conditions and the ability of the farmers to grow wheat, in that we were able to harvest a bumper crop of wheat in western Canada and have been able to sell a large portion of it through various agencies. We have now reached a stage, Mr. Chairman, where we must ask ourselves, if we remain as a prime exporter of wheat, whether or not we are holding sufficient grain in storage to take care of any calamity that may occur, such as has happened to other exporting nations. If such an event occurred, would we be in a position to take care of our needs for a sustained period of several years? I would think with the maintenance of the stock this year, we probably will be in no worse position in this regard than we were in former years.

However, I believe that before long a study has to be initiated of the potential of Canadian agriculture and our role as an exporting nation, in order that we can be sure of maintaining sufficient stock to take care of the fluctuations that are inherent in an agricultural economy. As we all know, the crop depends on the weather and we should maintain good stocks in storage as a protection for the years when crops may not be up to standard. The situation in which Russia finds itself today could easily be repeated in Canada because, to some extent, we are subjected to the same kind of climatic conditions. Over the years, Russia has built up production, and this year they find themselves faced with their terrific shortage because they did not maintain sufficient stock in storage.

The Minister of Agriculture has several thoughts of his own in that October 14 speech. One of these related to the problem of farm machinery. I am not sympathetic to a government—and I am not referring just to this government but to the previous government as well—which has committees available on which there are agricultural people with some knowledge of this subject and who are willing to spend their time discussing these particular subjects, but who are not used by the government. I blame the previous government for not reconstituting the farm machinery committee after it had done so much work in this particular field. In October the Minister of Agriculture said he felt the high cost of farm machinery was one of the major problems and therefore, I expected he would do something about it. I believe the statement he made was considered by other agencies. I refer particularly to the Searle Grain Company which, in one of their publications, mentioned this problem in an article entitled, "Farm Machinery Costs Bearing Upon the Small Farmer." I quote in part from this article:

> It would be interesting to know exactly what the Minister of Agriculture had in mind the other day when, in discussing some of the major problems faced by western farmers, he suggested that "if we are going to have the family farm we must have some sort of rental deal whereby the farmer will be able to rent the machinery he needs when he has good crops."
>
> We have always been quite interested in this subject. From time to time various Department of Agriculture officials and economists have warned that operational efficiency could be seriously affected through over-capitalization in farm machinery. At the same time they have cautioned against purchasing sizes and types of farm machinery that were uneconomic to the farm operator. Others have gone so far as to say one of the main reasons for the difficulty facing many of the small farm operators in western Canada can be traced to an over-investment in high priced farm machinery—that is the purchase of combines, swathers or other high priced units by operators whose size of farm or scale of operations could not possibly justify such an outlay or provide an opportunity for the full utilization of the equipment purchased.

There is no indication that this matter is going to be discussed in the statement the minister made today. He certainly did not refer to any activity that would indicate the subject was going to be discussed, yet it is one of the major issues faced by the government.

There are other things which the minister mentioned, such as the credit we need to make farm units economical. The Farm Credit Corporation was good, but not good enough, said the minister. Our third big problem is crop disaster—that is, when many farmers had their crops hailed out, dried out, blown out or frozen out. There are farmers who need help, and the sooner we do it the better. The minister asked: "How can we do it when we waste so much time in this house? I have never seen such a waste of time; it is just fantastic." I do not think the minister needs to worry about that. He is the least well known member of this house. He is almost unknown in his own department. I have talked to officials who have never met the minister. He need not worry about the time wasted here. I do not believe this is good enough for agriculture. I think we need to do something about it, and the Canadian public are demanding that we do something about it.

I should like to adjourn this debate and return to this subject at seven o'clock.

Mr. MacNaught: Since there are one or two formalities to be performed before six o'clock, I suggest the committee rise, report progress and ask leave to sit again later this day.

Some hon. Members: Agreed.

Progress reported.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Government House
Ottawa, December 12, 1963

Sir:

I have the honour to inform you that the Honourable Gerald Fauteux, a judge of the Supreme Court of Canada, acting as deputy of His Excellency the Governor General, will proceed to the Senate chamber today, the 12th day of December, at 10.15 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

SUPPLY

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

The Chairman: It being six o'clock, I do now leave the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 7 p.m.

DEPARTMENT OF AGRICULTURE

1. Departmental administration including the national co-ordinating committee on agricultural services, $1,057,600.

Mr. Peters: Mr. Chairman, before the recess I was commenting on the fact that the minister in a speech in October had indicated that one of the things needed in this area was assistance to the dairy industry. I think this is a field to which the minister should give his full attention. We thought at one time that the second minister of agriculture would probably work in this field, and we have been surprised that so little has been accomplished in this respect. In the field of eastern agriculture, particularly in the dairy industry, there is room for expansion and government assistance, because the dairy industry has not by any means reached a capacity position and if assistance is given it is quite likely there will be an expansion in almost every part of that industry.

[Mr. Peters.]

Ontario has given consideration to some of the problems. A speech made recently by the minister of agriculture of Ontario indicated their desire to explore the methods of marketing agricultural products, and lamented the fact that some difficulty had been experienced in maintaining the agreements negotiated between producer and distributor in the dairy industry. There has been, and is, government interest in the field of establishing grades in the dairy industry, particularly in the matter of cream, and establishing a price based on quality of the product rather than just on the quantity. We are all aware that some fields, such as the premium export of cheese, the field of unpasteurized cheese for export, can be greatly increased. This is a field for which there is a large market in Europe and it is a market we have not been able to satisfy for some time.

Perhaps some hon. members are not aware of the fact that much of the cheddar cheese produced in Ontario and eastern Canada today is generally of the quick pasteurized type which is difficult to sell in Britain, in particular, because of the difficulty in maintaining a grade. However, cheese that is naturally cured has a ready market and is a field which I think many cheese producers should be encouraged to enter. Additional assistance should be provided which will allow for the storage facilities necessary in competition between the two types of cheese. In producing milk the dairy industry has also run into many problems to which I was very surprised to learn the federal Department of Agriculture had given little consideration.

The problem of surpluses has bugged the dairy industry, particularly the fluid milk industry, over the years; but now the industry has found a new way of making use of milk surpluses, converting them into sterile milk which is manufactured under the trade name of multimilk. This is a development which is quite prevalent in northern Ontario, and I should at once point out that there is nothing wrong with multimilk. Through a process of vacuuming, manufacturers are now able to sterilize products, removing the bacteria from them so that, for example, when meat is packaged it can sit on a store shelf without refrigeration for several weeks without any deterioration in its quality.

Multimilk is a vacuum treated, water removed product which the housewife can leave on a kitchen table or shelf for quite a period of time. She has only to add water to the product, in the ratio of two quarts to one, to turn it into liquid milk. However, the complaint of the dairy industry, particularly the fluid milk industry, is that this milk which is coming on to the market as a fluid milk is not classified by the department as

a fluid milk but as a processed product; yet it is in competition with fluid milk.

This is further complicated by the fact that the milk which goes into its manufacture is bought at surplus prices. Normally fluid milk in Ontario is marketed at over $5 a cwt. while surplus milk fetches only $2.85 a cwt. Yet when the surplus milk is processed it has a premium price over fluid milk, but the farmers only get the surplus milk price for it.

There is another side to this problem. One has only to walk into a grocery store and look at the dairy counter to find pounds and pounds of what appears to be butter, but on examination it will be seen to be margarine. This product is now coloured and has the appearance of prints of butter. However the farmer gets very little protection against this unfair type of competition. A government that is interested in helping the farmers will give consideration to these matters.

The minister did bring out some good points, and in this connection I would like to point out that many Liberal candidates in the last election talked about farm credit and the extension of credit to help make good, economic, farm units. There is nothing more important to the farmer than the ability to establish good credit, and to get the money necessary to make his farm an economic unit. However the Liberal candidates failed to point out to the farmers that credit in itself is not necessarily a good thing.

Because I have a job and can go down to a finance company and borrow $2,000 or $3,000 does not necessarily mean it is a good thing for me to borrow it, unless I have some purpose for its use, some project that will bring me a return, that will enable me to pay off the loan and still be able to maintain my family or my operating unit on an economical basis. In fact, the department itself in its publications stresses this fact, and in the Farm Credit Corporation publication, "Credit for Profit" it says:

> "Credit for profit" is a short way of saying that the borrowed dollars should be used to provide an increased income which will pay all operating and maintenance costs, give the farmer and his family a good living, and provide for the orderly repayment of the required credit.

This is often forgotten. In my constituency the Liberal candidate went around telling the farmers, "You have not been able to get credit under the Conservative government. We will give you your loans; just make the application." If this had happened it would have put half the farmers in Timiskaming out of business. A farm credit loan, based on a mortgage on the land, is only an acceptable credit if the farmer can prove to the person making the loan that there is a chance to pay it back, and at the same time maintain his farm as an economic unit.

This matter of credit has been considered by the house several times in recent years, and the results have been fairly satisfactory. There is no question but that when we discuss this there will be complaints and some talk about the fact that all the lawyers handling the mortgages change as soon as the government changes. Patronage applies in the legal section as well as in others, but this is not my point. I believe that agriculture is an industry that is as valuable to Canada today as it has ever been. It is an industry that needs assistance because it is highly automated. The farmer must be given assistance to help him package and deliver his products to the consumer, whether the product be grain, free of glass, or any other commodity.

The farmers of the nation deserve better for their contribution to it. We have heard there is going to be a cabinet shuffle. Certainly we need it in this portfolio, because I do not think the minister is interested in his department. I do not think he is interested in the things that go on in the department. In all honesty he should say whether he is going to be in Ottawa and will do something in the department, or not. There are Liberal members of the agriculture committee who are trying to do something on behalf of farmers, and I am sure the farm organizations will want some change made in the department. I would go further, Mr. Chairman, and say that the assistant minister, who is to be designated as the eastern representative of agriculture, has done even less than the minister. Nobody has been filling this portfolio, and anyone who wanted it could step into it.

For several weeks on the agriculture committee I have sat with many young Liberals who are interested in agriculture. It is not for us to question whether the voters were right in deciding they would only send one Liberal from the prairies to parliament, but there are young progressive farm representatives in the Liberal party who have made a great contribution to the agriculture committee. I see two of them now sitting behind the minister, both the chairman and vice chairman of the agriculture committee, and I think they have an honest desire to see that something is done in agriculture.

I strongly recommend that the Prime Minister give consideration to some of these young people. If they did not want to, they would not have sat on the agriculture committee, and I would point out that that committee had a great time getting the minister to attend it for one afternoon.

Mr. Chairman, I suggest he resign. Agriculture deserves a better deal than it is getting. The minister on numerous occasions has said

that this place is a waste of time, that he has never seen such a fantastic waste of time. If he thinks this, then he has an obligation to the Prime Minister and his other colleagues in the cabinet to do something about it.

Yesterday I sat for an hour and a half listening to the Canadian Labour Congress present its brief to the government. It was generally agreed by everybody there that they were quite happy with the reception they received from the government. I kept thinking of the situation that prevailed a year or two ago, when the former prime minister exercised some influence in this field, and that was not the feeling then. I think the situation has changed from the position where labour was not the white-haired boy to the position where it is now that. On the other hand farmers are not any longer sure they are getting a hearing from the government and have lost faith in the Minister of Agriculture's ability to help them. They deserve better than this and I think the minister, who has had some success in other fields, would be fair to his colleagues to take this into consideration.

Mr. Olson: Mr. Chairman, on behalf of the members of this group we welcome this occasion, which is the first time the minister has made a major speech to outline a broad, general review of some of the agricultural policies his government has undertaken since it took office. In the few minutes available to me this evening I want to make a general statement of policy on behalf of my party and to indicate to the minister and the government some of the things we support and some of the things to which, at least up to this point, we think they have not paid sufficient attention.

Before I go to that I should like the minister and all hon. members of this committee to know that we in this group consider agriculture still to be the most important industry in Canada. For that matter it is still the most important industry in the world. Whether the meaning can be given to the remark of the minister during some of the debates which have taken place in this house about its being a waste of time, I do not know. If that is what he means, we violently disagree with him. I should like him to know that the success or failure of an organization as large and of such magnitude as that of the European economic community is in jeopardy today because not enough time has been spent over agreement on agricultural policies. I heard on the radio news broadcast yesterday that the French delegate to negotiations now under way in Brussels walked out of the discussions and went back to his government for further instructions. The reason is because President de Gaulle of France is demanding that agricultural policy within this market be determined now; he is not willing to wait any longer. In fact, he has indicated that unless this agricultural policy is determined very soon he may even withdraw France from the whole agreement within the European economic community.

I should like also to point out to the minister and the government that there is an article in the *Christian Science Monitor* indicating that the whole "Kennedy round" of negotiations respecting GATT and the E.E.C. is going to fail unless a satisfactory solution is found to our agricultural policies. In other words, agriculture to Europe, particularly to France and even to the United States, is so important that all their other agreements respecting trade will break down unless they can come to some mutually satisfactory arrangement over agriculture. I just want to make it abundantly clear that even the most highly industrialized nations of the world, such as the United States, France, and so on, regard agricultural policy as paramount, with the exception perhaps of defence. The previous prime minister had this to say, and I am not sure whether he was in the house at the time because my source does not indicate that. He said:

> Trade has become a major weapon in the communist offensive. They do not care about profits. Their profits will be measured by the numbers of souls who trade their survival as free men for the temporary material advantage of the present.

So I suggest that even the past prime minister has indicated that agriculture and trade policies are of major importance.

On one or two occasions the Minister of Agriculture has referred to our surplus foodstuffs as being something of a problem. I think it would be well for him to take the attitude that a surplus of food is not a curse btu is in fact a blessing. It is far better that we have surpluses than shortages. We need only look to the countries behind the iron curtain, for example, who have been unable to develop production techniques that can fill the food requirements of their own people. I think the minister will agree that their problems are far greater than ours with our surplus food production.

I also suggest to the government that Canada can play an important role internationally as a major food supplier. We have said this on a number of occasions, and I suppose some hon. members are getting a little tired of hearing us say that Canada's ability to produce food could be a major item in our external policy, our foreign aid policy and our peacekeeping policy.

There is one other aspect of trade and agriculture which I think is worthy of

mention. I have before me some newspaper articles. I will not read them all, but I have one from Washington which indicates the amount of dollars Canada is spending on agricultural products from the United States. A figure amounting to something like $517 million annually is spent in the United States on agricultural products which are imported into Canada. Yet from time to time we have a serious balance of payments problem with the United States. In fact, the problem is chronic; it occurs each year. We imported $80 million worth of corn from the United States last year. At the same time we produced in Canada, not necessarily at points where it was most needed, grain, feed grains particularly, which could be substituted for a lot of these items we are getting from the United States.

There is one other matter we should take note of during discussion of agricultural estimates—although the Canadian wheat board, which deals with this matter, has been transferred to the department under the Minister of Trade and Commerce, who answers to parliament for their activities—and that is the matter of selling large quantities of grain on the international market, particularly to Russia and China. I think the sales over the last few months have proven for all time that the ex-minister of agriculture, the hon. member for Qu'Appelle, has not any exclusive claim to being a wheat salesman. When conditions are right and there is the demand, the Canadian wheat board can and does sell large quantities of wheat whether or not the hon. member for Qu'Appelle happens to be occupying the seat of the minister of agriculture. It should be clearly pointed out too that the claim of the Conservative party that they initiated this kind of program falls by the wayside. If hon. members would take a quick glance at history they would see that one of the first deals made on a credit basis was the deal with Poland when wheat was sold under a long term credit agreement. These sales to Russia, and the additional sales to China since that government was turned out of office, simply prove to me—

Mr. Horner (Acadia): Would the hon. member permit a question?

Mr. Olson: No. The hon. member will have ample opportunity to make his own contribution. My time is limited to 30 minutes.

Mr. Horner (Acadia): I should like to hear about the position of the hon. member's own party with regard to these sales to communist countries.

Mr. Olson: There is one thing which can be said as far as the hon. member for Qu'Appelle and his party are concerned.

Mr. Horner (Acadia): Let us hear about your party.

Mr. Olson: It is abundantly clear that the hon. member for Qu'Appelle is a champion of publicity and public relations. For taking credit to himself for whatever was done, he is unexcelled. Never before in our history has any minister spent so much out of public funds in order to advertise a political party. I think this is something of which the Canadian people should be aware. For example, we know now, though we did not know it then, that the former minister of agriculture got himself flown over to Hong Kong at public expense to make an announcement that a deal had been made, three days after the contract had been signed. I am sure this was good for the Conservative party, and the very fact that it was to the benefit of that party seems to impose an obligation to pay for that flight. But this trip was paid for out of public funds. Almost every day, for months on end, we could look into our mail boxes and see some press release or pamphlet or other publication from the Department of Agriculture. So I give the hon. member full credit for all this publicity. Whether it was good for Canada or not, is questionable. Certainly, it was good for the Conservative party.

I agree with the remarks the minister made concerning farm credit. I think all parties in this house, possibly all members of this committee who have interested themselves in agriculture, will agree that the supply of credit to maintain the family farm, for which we all have respect, is one of the most vexing problems we face in this country today. I agree, also, that the cost of farm machinery, its maintenance, depreciation and so on, constitutes one of the major difficulties to which we must give attention. I believe the minister said that in 1962 the cost of machinery in Canada generally accounted for about 20 per cent of the total operating costs. I believe he went on to say that in one area of western Canada they amounted to 50 per cent of all operating costs. I know from personal experience that this is so. The price of farm machinery has increased tremendously. I cannot blame the manufacturers for putting up their prices. I know that the farmers—and I am one of them—keep demanding bigger and more spectacular equipment. I happen to know that my father, farming in 1940, was able, for example, to cultivate his land with one tractor of 45/50 horsepower. Now it seems we need three of them to work the same 2,500 acres. Most of the time, these machines are doing nothing. In former days, it seemed we had men to run this one 45 horsepower tractor 24 hours a day.

I think there is a great deal to be said in favour of the establishment of machinery pools, or co-operatives, or similar arrangements so that farm machinery could be used for many more hours than it is being used today. I say this from personal experience, because my brothers and I are able to make use of the same equipment on each of our farms. In other words, we do not each buy the same item. Sometimes this equipment is only in use for three or four weeks of the entire year. Possibly it is in use for only two weeks. This sharing arrangement has certainly reduced our costs substantially, since depreciation takes effect only on one unit instead of on three. There is a great deal which could be done in this direction.

I should like to refer, now, to this report put out by the Searle Grain Company Limited, to which the hon. member for Timiskaming referred. This publication discusses the advisability of forming machinery pools in order to cut down operating costs. I notice the hon. member did not quote from the end of the article where it says:

> Whether or not it might be possible for groups of farmers in western Canada to form a local association in this way we cannot say.

Then, a little further on, the report says:

> We agree that if something were to develop along the lines suggested by the minister, it might be very desirable.

The article goes on to say that some leadership in this field would have to be given either by the federal or the provincial departments of agriculture. I really fail to see what the departments of agriculture, either provincial or federal, can do except to urge farmers to take part in such arrangements. If such a scheme is to be effective, the farmers themselves must initiate it in co-operation with their neighbours. I can visualize serious problems arising if two or three farmers owned one combine capable of harvesting the crops of two or three farms. Weather conditions being as uncertain as they are, there would likely be a dispute as to who was to get it first, and if one farmer got in his crop while another was hailed out, the government would be in a precarious position in deciding what was to be done about the lost harvest supposing it was connected, as a sponsor, for example, with the sharing agreement. For this reason I think any such scheme should be worked out among the farmers themselves.

I was pleased to see that in the last wheat deal with the Soviet union provision was made for a certain portion of that wheat to be supplied in the form of flour. This is the first time in several years that the flour milling industry of this country has had a break. We heard the hon. member for Qu'Appelle, who was minister of agriculture at that time, say that provision had been made for at least some portion of the wheat sold to China to be delivered in the form of flour, or the finished product. But to my knowledge there was not one single bushel of those 112 million bushels delivered in the form of flour. I should like to point out that between 1956 and 1962 there has been a steady decline in the production of the flour mills in Canada. In 1956, the amount of flour produced here was 4,071,437 cwt. By 1962 this amount had dropped to 2,202,828 cwt. In fact, it has been cut almost in half despite the fact that in 1962 there was more flour traded on international markets than at any time in history. Canada has not lost only in absolute terms; we have lost even more in terms of our relative share of the world market. The Department of Trade and Commerce, the Canadian wheat board or the Department of Agriculture, whichever was responsible, should be congratulated for making sure, in the course of these negotiations, that the deal with Russia provided for the inclusion of a reasonable amount of flour. As a matter of fact, the total unused capacity of the flour milling industry of Canada will be entirely taken up by the 29.1 million bushels of flour content provided for in the agreement. So we could not have sold them any more flour even if they had wanted more. I want to acknowledge this and to thank whoever is responsible, because this is the first break that the flour milling industry has had and they are now assured of being able to run at full capacity until July 31 of next year. Sometimes there is a tendency toward a chain reaction in regard to these things. I have been in touch with some of the managers of the mills, whom I know since the Russian deal, and I have learned that some of their regular customers have been sending in more orders than they were a year ago. This is all well and good for the next ten months. We acknowledge it is a good thing but we are a little apprehensive about what is going to happen after that.

We think it is the responsibility of the government to give priority to the setting up of deals for flour and so on in the international field, so that we will have regular customers on a continuing basis. The hon. member for Qu'Appelle suggested that the dealings with China and the countries behind the bamboo and iron curtains are probably going to be on a permanent basis. I am really not prepared to accept at the moment that they will be buying flour or wheat from us when their own production meets their demands, as it apparently did prior to 1960.

I want to turn now for a moment to ARDA. The act was brought in several years ago and a lot of publicity was given to it. We were told by the Progressive Conservative members, who were running round the country at that time, that the act was all-embracing, that it was very broad and that it was going to solve all the problems of agriculture. It was broad, all right, but it was so vague in its terms that nobody knew anything about what was intended—that is specifically what projects would be acceptable. As a matter of fact, I do not believe that the provincial and local ARDA committees yet have a clear concept of what specific projects the federal government has in mind.

Mr. Horner (Acadia): It is because the provincial government of Alberta will not co-operate.

Mr. Olson: We have all these people, like the former minister of agriculture, pointing out all the problems. He has analysed the problems. But then he winds up by saying the government should do something about them. If there is anything that leaves me cold it is a long discourse about problems, and then no suggestions as to what should or can be done about them. This is exactly what took place before the ARDA bill was introduced. The Conservative members of that day pointed out all the things that were wrong with agriculture and all the problems of the farmers of eastern and western Canada. Then the government of that day introduced a bill that said, in effect: "We are in favour of doing everything that is good for the farmers," —and that is about all.

I do not believe we need any further studies on some of these matters. It has even been suggested that we need to have another study of the South Saskatchewan river basin. I happen to know there is a royal commission report in the hands of the government now and I have a couple of copies in my office. I refer to the Hogg commission which studied this matter.

Mr. Horner (Acadia): In what year?

Mr. Olson: In my view what we need for the farmers of this country is some action and not more studies. As far as specific projects are concerned, one hon. member mumbled something which I understood to be: What is your solution; what is your suggestion? I have many suggestions. There is the matter of community pastures, a project that should get under way right now. There is the matter of upper level storage for the drainage basins. I do not know whether the hon. member for Macleod is here tonight, but he has talked about all these things year in and year out. In 1957 they were going to do them then. In 1962 they were going to do them then. But what they are saying now is that they will do them as soon as they get back into office.

The former minister of agriculture pointed out all the problems. He had the problem of the eastern grain feeders completely analysed but now he criticizes the present government because they have not done anything in the last six or seven months although he had the problem completely analysed, and had the solution available.

Mr. Fane: What about crop insurance in Alberta? What does your Social Credit government think about that?

Mr. Olson: There are a lot of mumblings over here, but these members will have plenty of time to talk and say what they want to say before 10.30 tonight. P.F.A.A. has been in effect in western Canada for the last 20 years, and we want it to be abundantly clear that we believe it has been a truly beneficial program for that area. It has been in effect for more than 20 years and I have heard some rumours that the present Minister of Agriculture is disposed to cut the program down a little. If it is true that he is thinking along these lines I suggest that he take a long, hard look at the large area of western Canada that has received a great deal of benefit, with a resulting stabilization of the agricultural economy in that area. In some areas it has applied in cases of drought, but we have also seen very beneficial results as a result of this program in cases of freezing, hail, flooding, early snow and so on. The farmers of western Canada are paying large premiums toward this program. In fact, I think they pay more than 50 per cent of the cost with the exception of the farmers of Saskatchewan. Therefore I suggest to the minister that if he has any idea of cutting down on the P.F.A.A. program he should reconsider the matter.

So far as crop insurance is concerned, we are pleased to hear that the government is now prepared to move into insuring some of the residual risks. I have a very few minutes left, Mr. Chairman, and I am afraid I would not have much success if I were to ask for additional time, so I had better get on with my remarks.

With regard to the matter of an eastern feed grain purchasing board, as it has been called, we agree partially with what the Canadian Federation of Agriculture has said, and I understood from the minister that the government intends to adopt this program. As I said, we agree partially but we do not believe it goes far enough. The submission of the Canadian Federation of Agriculture requests that such a board be set up only in an

advisory capacity. However, because of the problems that have been placed before the committee by members from these areas of Canada, we believe that we should have an eastern feed grain purchasing board with credit available to it so that it can go to western Canada and buy grain from the Canadian wheat board or in Ontario, or in any event in whatever place it can make the best deal at the most seasonable time of the year.

We are pleased that the government has appropriated $1 million to pay for the storage charges for this winter. We realize this has been helpful in moving a far larger volume of grain into position in eastern Canada. However, in order to solve the problem we think it would be well to have a separate entity that would be charged with the responsibility of buying feed grain at the best possible price. We believe it should be given credit for that purpose, so that it could then move large quantities of grain into position when the seaway is opened, and in fact do for the eastern feeders exactly what the Canadian wheat board is doing for the western producers. We do not believe it should be a branch of the Canadian wheat board, because there would be a conflict of interest. Such a board should be set up, provided with credit and given all the necessary powers it needs to do the job effectively. In our view it should deal with the Canadian wheat board as much as possible so that responsibility would fall on both bodies to see that the job was done.

In closing I want to say a few words about the matter of scrapie. There is a bit of apprehension amongst sheep breeders across the country as to this matter. I did revise my question on the order paper and I would urge the minister and his department to give me a complete and comprehensive answer. I revised the wording of question No. 1,730 so that we could look into this matter.

There is one other point I should like to mention, Mr. Chairman. We do not believe the small amount the federal government is contributing to the veterinary college in western Canada is in keeping with the responsibility the federal government has. The minister admitted the federal Department of Agriculture employs about 25 per cent of these veterinarians in Canada. Apparently, on this basis, they are willing to pay 25 per cent of the capital cost of this college. As a matter of fact, the $625,000 does not even meet the 25 per cent share. However, there are also operating costs and they are going to be substantial over a number of years. We think the federal government, through the health of animals branch, has a responsibility to pay some of the operating costs for training these veterinarians.

[Mr. Olson.]

In closing, Mr. Chairman, I just want to say we feel the minister should change his attitude concerning a number of things. These debates in this house are not a waste of time. He should move rapidly to set up an eastern feed grain purchasing board. If he will do a number of these things that we suggest, we wish him well.

[*Translation*]

Mr. Gauthier: Mr. Chairman, let me first of all congratulate the Minister of Agriculture for his report. I think this report will give us an opportunity to discuss our problems—I was going to say to leave the western provinces for the eastern provinces.

Since this debate started, we have been hearing about the west and its wheat, for which I hasten to say I am very happy for the western farmers. But when you think that Quebec and Ontario are the provinces where agriculture is the major industry in Canada, and that when farming problems are raised in this house, seven eighths of the discussion are concerned with the western provinces, it seems to me that either the western members defend their cause with too much zeal or the eastern members do not show enough concern to safeguard the interests of their provinces in that regard. In fact, when looking over the estimates of the Department of Agriculture, I note that more than 50 per cent of that budget is allocated to western provinces:

Production and marketing branch—

Freight assistance on western feed grains, $18,500,000.

Board of grain commissioners—

Canadian government elevators, $1,529,000;
Salaries of the commissioners, $42,000;
Administration, $173,000;
Inspection and weighing of grain and related services, $4,656,000;

Under the heading "Land rehabilitation, irrigation and water storage projects", the western provinces are much more favoured than the eastern provinces. The province of Quebec particularly does not get a single dollar for its irrigation projects, while western provinces receive over $33 million for drainage.

Under the heading of "Special estimates", there is an amount of $785,000 concerning the Prairie Farm Assistance Act administration and for the payments in respect of projects and programs under the Agriculture Rehabilitation and Development Act, the western provinces receive $7 million. For administration, operation and maintenance, $157,000. For payments in connection with the Prairie Grain Advance Payments Act, $900,000, etc.

Besides that, we find payment of carrying costs of temporary wheat reserves, $41,524.

That goes to show that the western provinces are well treated in parliament.

When I look at those figures, I am tempted to think of the situation in Canada 50 years ago. At that time, the provinces of Quebec and Ontario were considered as the granary of Canada, while the western provinces were thought of as being poor lands, in need of development. Today, we spend all our savings for these provinces, which by the way, deserve it. We levy taxes on our people so as to develop these marvelous prairies of ours. I invite today our western fellow Canadians to show themselves duly grateful.

Before approving these estimates, our group would like to point out to the government three items which interest us most of all: the Farm Credit Corporation—comprising ARDA—the loans to farmers, the department of agriculture for the east and seed grains.

I suppose we cannot find fault with the amount of money the present government has made available to all Canadian farmers. After increasing the amounts paid during the past years, the present government certainly registered a point in favour of the Canadian farmers, and I avail myself of this opportunity to congratulate the minister for the implementation of ARDA, which has been in existence for several years but which has just started to be used in the province of Quebec.

The aim of ARDA, as the minister indicated, is to help the underdeveloped areas. I feel this act is misunderstood in Quebec. The main problem is draining, and for a year every effort has been made to deal more particularly with tree planting. There is a field in which I was in a position last summer to witness the government activity, and it is the blueberry fields. It is very well to look after the blueberry fields, but I believe draining has priority on tree planting, because draining accounts for 50 per cent in my area. There is only 50 per cent of the land which is properly drained.

A better draining of our lands should be put into effect in order to return those lands to farming. And I believe we shall pursue the aim of ARDA only in approaching with greater zeal that vital point, the draining of our soil.

Here I wish to make my meaning perfectly plain by saying that the prime work should first be done in Quebec, and that is why we are trying, with the provincial government's influence, to get what western people have received and to have our lands drained, so that our farmers can return them to farming. However, the government does not help farmers enough. In fact, when we look at the federal budget, we are inclined to feel sorry for the minister. Yet, when we realize that the most important department is the Department of Agriculture and that only 2.7 per cent of the total estimates is intended for agriculture, we feel that there is some unbalance here which is hard to understand, and I want to remind the minister of that fact, because it is far too little for Quebec.

But there is another point which remains difficult to understand, Mr. Chairman, and that is the way those amounts are distributed among the provinces.

Here, I do not know whether I should address myself to the government or simply to the Department of Agriculture or to the minister himself, who cannot seem to find the time to go and see at least once what is going on in Quebec.

I would advise him at least to read the reports of the Farm Credit Corporation. Then, by merely reading the data contained therein, he might realize that something is not running true in my province.

The other day I heard the hon. member for Nicolet-Yamaska (Mr. Vincent) boast about the fact that, in 1962, the Conservative government had granted 804 loans, as against 109 in 1961.

When I look at the amount of loans granted in the other provinces, compared to the urgent and ever-increasing needs of the province of Quebec, I come to the conclusion that neither of the old line party governments can pride itself in having given the lion's share to Quebec's agriculture.

And to think that the province of Quebec is now in the worst state of stagnation as far as agriculture is concerned and that it is given, with regard to its population, the least assistance.

I can see that in the past, when exclusive legislation had to be enacted for the western provinces, the governments did not hesitate and passed it in order to benefit these provinces. They did right. Now it is the turn of the province of Quebec to need specific legislation in order to revive its agriculture. Is she going to be denied that legislation any longer?

Mr. Chairman, I suggest that the minister make a special study about federal loans granted to the province of Quebec.

At first it might be enough for the minister to improve the staff of the Farm Credit Corporation in the province of Quebec, for I am afraid that the problem lies with the staff which is satisfied to administer rigidly the present legislation because it lacks the ability needed to interpret this legislation, which is too broad, and adapt it to each region, each farmer.

As a matter of fact, I have been told many times by loan inspectors from the Farm Credit Corporation that the act was not precise enough, clear enough or not suited to our regions.

I think, Mr. Chairman, that it would be worth it to have an investigation made in the field by the department in order to find out what is wrong with the legislation and the considerable harm all this is doing to our farmers in need.

I ask the minister to carry out a serious investigation to see what is going wrong in the province of Quebec.

I shall give you an example of the situation in my own area. Our farmers have an urgent need of at least 2,000 federal loans and we succeeded in obtaining only about a hundred this year. This means that 1,900 farmers will not get the money they need to resume work on their farms or to put back under cultivation 40 per cent of our farms which have been waiting only for the necessary manpower for the last 10 or 15 years.

Mr. Chairman, our farms cannot wait any longer, our farmers are forced to leave their farms for the cities. Is it because the legislation is not suited to eastern Canada or is it because the people responsible for its implementation are not able to interpret it? I leave it to you to judge.

It may also be that serious research on the part of the minister would help him to realize the need for an eastern department. This famous department has been promised us for a long time. First, in the speech from the throne, then on the order paper, where it stayed for a while third on the list, to drop almost into oblivion these last months since it is now eleventh on the list.

Yet, we had always cherished the hope that we would have it by 1963; but our hopes were dashed a few days ago when the government announced that we would get it in 1964.

We are somewhat puzzled by all that and we wonder whether this government is responsible. If it were, it would indeed have introduced the various pieces of legislation in order of importance; and since in my opinion agriculture is of prime importance all over Canada, all other matters must give precedence to it. However, it is not at all what we have seen.

Under the existing system, I said and I repeat, Mr. Chairman, that only a department of agriculture for eastern Canada will make it possible to have a well balanced and economical agriculture from coast to coast. We know that from experience. When we had the department of agriculture in eastern Canada, the western provinces were on the verge of bankruptcy. But now it is in western Canada, and the eastern provinces have a precarious existence. So the only solution is to set up a department of agriculture for the east. And the sooner the better. Pressure is certainly not lacking. I have here an article which appeared in the December 2 issue of *Le Droit* under the following title:

Appointment requested of a second minister of agriculture for eastern Canada.

The article reads as follows:

The "Meuniers du Quebec Inc." requested the federal government, Friday evening, to carry out without delay its promise to appoint a minister of agriculture for eastern Canada who would enjoy the same rights and privileges of the present Minister of Agriculture.

And further on:

Ottawa was finally urged not to apply next April a first 4 per cent portion of the Gordon tax on building materials and equipment in order to further the growth of farm production, etc.

Mr. Chairman, I believe that we are now facing facts. Must we wait a long time yet? I think the limit is reached, and if the present Minister of Agriculture does not deal very seriously with this problem and if the government does not organize the business of the house so that this legislation will be presented soon, I am of the opinion that farming, in the province of Quebec, is a long way from reaching new heights.

But outside of the two problems I just mentioned, there is a third one the solution of which can wait no longer, and it is a problem which can be solved by the present Minister of Agriculture.

On October 18, 1963, representatives of the catholic farmers' union and of the federated co-operative of the province of Quebec met our group to set forth their grievances, so as to enable us to relay their representations to this house.

We have already spent many hours listening to the evidence presented by representatives of various organizations concerning feed grains. There is an unaccountable price spread between producers and consumers and it is our duty to find out the truth about the department and so as to bridge the gap between western and eastern farmers.

Several boards have appeared before the committee on agriculture in the past few days. There is no point in enumerating all of them but I think their representatives would like us to find, concerning the problem of feed grains, a solution which would be satisfactory to everyone.

It is urgent for parliament to give serious consideration to that problem which is several years old but is getting worse all the time and gives rise to willful disagreement.

In fact, we can delay no longer the solution of a problem which is threatening the whole agricultural economy.

In the fine brief they submitted, the U.C.C. and the co-operative federee stress the two major problems we must settle to balance the economy of the eastern and western parts of our country.

Right from the start, it strikes you that neither the west nor the east and even less the province of Quebec are to blame for this extraordinary situation which spoils the relations between western Canada and the eastern provinces.

On the contrary, if you examine the situation more closely, you will be pleased to notice that western farmers like their eastern counterparts strive for the same ideal—that of achieving a better standard of living for each group and that they sincerely wish to get along together. However, a wall just like the Berlin wall has gone up, and it prevents the peace-makers from being heard.

If the good will of farmers is not lacking, why can a solution not be found? Where does the situation referred to exist? It is precisely this vital question that I intend to answer.

In this case, Mr. Chairman, I suspect that a dictatorship is being exerted by an organization enjoying special favours from governments, so as to wield its powers without fear of being ousted.

The prairie provinces are recognized as the best grain producers. The climate, the soil and the geographic location are so many factors which have made the prairie provinces the granary of Canada, enabling them to exert their influence even on world markets. On the other hand, eastern provinces are recognized for the variety of their agricultural production which goes from maple syrup to market-gardening crops and cattle.

It would merely be logical that these two regions, the east as well as the west, be given the necessary scope, and I would even say enjoy the necessary assistance, from the governments to launch into their own production.

We all know that to be in a position to produce, the farmer needs a minimum cost price. Consequently, the catholic farmers' union stresses in its brief that the eastern farmer should be in a position to earn his living with his products

We do not wish the same mistakes to be repeated as when western farmers were being paid to refrain from producing wheat or again not long ago, when the Minister of Agriculture abolished the 25 cents premium per hundred pounds of milk and went so far as to ask the Quebec milk producers to reduce their production, at a time when so many Quebec families do not have enough milk, and that is particularly true in our schools.

The purpose of our inquiry today is therefore to find who is responsible for this inconceivable inconsistency shown by a government which dares to claim it is still democratic.

On one side, we have people who want one thing only: to produce wheat, and on the other side, we have people who need wheat and cannot buy it because its price is exorbitant.

Where is the key to this mystery?

Mr. Chairman, we are fighting the very cancer of our farm economy, and it is that same cancer which affects every sector of our national economy. In every field, industrial, monetary and so on, the evil always comes from faulty distribution.

The present formula is all for one and nothing for the others. The great master of our economy is still the trust.

Mr. Chairman, when you think that the western producer gets only 55 cents per bushel of grain, for which the eastern consumer must pay up to $1.50, that is fantastic. So there is not only the case of other financiers even more brazen who, with a $10 deposit, succeed in borrowing $100, just like the chartered banks.

As a matter of fact, if you push your inquiries further, you will find that all the western wheat is delivered to the great lakes by the Canadian wheat board, which sets the price according to the price paid to the western farmers, plus the transportation costs which are borne by those same farmers. I think also that the grants paid by the governments for the transportation and storage of grain help maintain the price of grain at a more reasonable level today.

The Chairman: Order. I regret to interrupt the hon. member for Roberval, but his time is up.

[*Text*]

Mr. Nielsen: Mr. Chairman, I will be very brief because none of us on this side wants to hold up the minister's estimates. In fact, we are prepared to co-operate to the extent that I will probably be the last speaker as far as we are concerned, if we get the co-operation we anticipate the minister will give us. As he knows, a matter has arisen under the administration of the Prairie Farm Assistance Act which is to be referred to the committee on privileges and elections. The minister has received a request from the clerk of that committee to appear before it tomorrow morning. If the minister can give us the assurance that he will be with us

tomorrow morning, then I will be quite happy and conclude my remarks at this point.

Mr. Hays: I am very sorry but I cannot give that commitment. I have a speaking engagement at the annual meeting of the farm union in Alberta which I am committed to, and have been for some time. But I will be back and am quite prepared to meet the committee on Saturday morning.

Mr. Nielsen: This presents a problem. The committee has not decided to meet on Saturday and it is not usual for committees of the house to sit on a Saturday. Therefore Saturday is not a suitable date. The reason I raise the matter at this time is because when the minister was informed that he was requested to appear before the committee he replied to the clerk that he was unable to do so. Since that time we have heard second hand, through the hon. member for Carleton, the hon. member for Brant-Haldimand and the hon. member for York-Scarborough, of different commitments. Some mentioned Wednesday, some Tuesday and now it is Saturday. The request was sent to the minister to appear on Friday.

We are perfectly agreeable to working out some arrangement in co-operation with the minister. I am not suggesting for a moment that this is what he has in mind, but what we fear is that he might not appear before the committee at all before this session is over unless we get some commitment from him this evening. The committee meets at nine o'clock tomorrow morning. If the minister was there his evidence could be taken within an hour, and then he could get off to Calgary and meet his commitment there.

Mr. Hays: I am quite prepared to meet the committee; as a matter of fact I welcome the opportunity. I have stated my problem, and would be quite prepared to meet the committee at nine o'clock on Friday evening, or Saturday morning, or seven o'clock Monday morning, or Tuesday morning or Wednesday morning—any one of these mornings. Next week the ten ministers of agriculture are to be here and we have a conference starting on Monday, and running Tuesday and Wednesday, so it will be difficult for me to appear any time after nine o'clock. However, as I say, I am quite prepared to meet the committee at seven in the morning.

Mr. Nielsen: That is fine. If the minister is prepared to meet the committee at nine o'clock tomorrow evening and is agreeable to be the first witness to be examined on that committee, then we are quite happy on this side.

Mr. Hays: God willing, I will do that.

[Mr. Nielsen.]

Mr. Horner (Acadia): Mr. Chairman, in rising to speak perhaps I could comment on some remarks made by the hon. member for Medicine Hat. I could not help but think that perhaps he was preaching for a call. Whether that call was to be next minister of agriculture in a Liberal government I am not sure, but that thought did run through my mind as he talked on and on, on a Liberal theme, about farm machinery being the main trouble with agriculture generally. I questioned him as to where his party stood on communist countries buying Canadian wheat. Not only did he not have time to deal with the question at that moment, but he failed to deal with it at all. He failed to deal with his party's viewpoint on that crucial issue in the last two elections. Why did he fail to do that? The only thought which came to my mind was that perhaps he was going to cross the floor of the house and no longer remain with his present party.

The hon. member talked about ARDA and how vague it was. He did not say that it has not worked very well in Alberta, because the government of Alberta has not made any real, concentrated effort to make it work or to see that it would work. The reason is that they are afraid to spend some of the money they have in their oil rich treasury and put it back into the basic industry of the country. The basic industry of Alberta is still agriculture, but we are still fighting to see that some share of their provincial money goes back to the land; but it is a hard fight in that province.

The hon. member also talked about the study on the Saskatchewan and Nelson rivers basin, which includes the Red Deer river project, a very vital project to central Alberta reaching down as far as his own constituency. According to him, no more studies were needed in this regard. He said he had a study in his own office, but he did not say what year it was. I have one too. In fact, there have been studies ever since the William Peers project in 1918, as well as 1928 and 1942. I do not know which study he has but we are now in 1963. We now have the Alberta government stingily not wanting to go ahead with any study. They have resisted co-operation with the prairie provinces water board? Why? Because here again they have been reluctant to spend some of their money, received from wealth resources below the surface on the land itself, to replenish and develop the basic industry of agriculture.

Some hon. Members: Oh, oh.

Mr. Horner (Acadia): This wisecracking at the other end of the chamber reminds me of an old saying that wisecrackers rarely gather wisdom. The hon. member talked

about community pastures and the greater need for them throughout Canada. What is the attitude of the Alberta government in this regard? There has been no federal participation in community pastures within the provinces; that is what they tell us in Alberta. The province from which the hon. member comes is a Social Credit province, and he has the gall to get up in this house and say that he wants further action on community pastures by the federal government, when the federal government itself is not allowed to enter the province in this respect. There are some 70 new community pastures which have sprung up in the last four or five years in Saskatchewan and Manitoba, but not one in Alberta—except the one brought about by a severe drought. We were also able to secure a large part of the Suffield experimental station as a sort of community pasture, but on a limited basis. But this was done through the Department of National Defence. Though his remarks were interesting, he said very little. He did not take into account, in the course of his observations, the thinking of the federal Social Credit party with regard to sales to Russia, or the thinking of the provincial party, for that matter. The only conclusion I can reach is that he was preaching for a call—that he was expecting to become the next minister of agriculture in the Liberal party. This has been suggested by a learned journalist whom we have among us, namely the hon. member for Port Arthur. Maybe the hon. member for Port Arthur is right in this regard. Who am I to say?

When I rose to speak tonight I did not intend to deal with the speech made by the hon. member for Medicine Hat, but I thought it deserved comment, if only on account of what the hon. member did not say. In speaking tonight, I should like to make it clear I have no axe to grind with the present Minister of Agriculture as a person. I know he has a highly successful record in real estate, as a farmer and as an entrepreneur of most descriptions. He has a reputation in this regard and I respect him for it. But he has failed miserably as a leader of agriculture in this country, and it is in this direction that I want to direct my criticism. He has provided no leadership either to the department, or to Canada, or to the farmers across the country. His speech today was nothing more than a factual report, item by item, on the estimates of the department. There was no review of the future outlook for the Department of Agriculture. No real leadership was shown with regard to the general direction in which we are moving. It is obvious that someone inside the department wrote his speech. It certainly differed greatly from the speech which was made in Chicago some time ago when the hon. gentleman said there were only four members in the Liberal party who knew anything about agriculture. I really did not know whether he was including himself among those four or not, and I wondered who the other three might be. That speech must have been a real eye-opener for the people in Illinois, Montana, and the west, generally.

I looked in the hon. gentleman's speech today for some show of leadership. I tried to discover where the Liberals were going to lead western agriculture and agriculture in Canada generally. I thumbed through a copy of the Liberal promises with regard to agriculture. This is what they said:

> A Liberal government will provide continuous, "realistic guidance on the market outlook for different crops and livestock products".

Some hon. Members: Hear, hear.

Mr. Horner (Acadia): I hear members over there pounding their desks. Well, I have several other clippings here. Here is a beauty: "Hays calls for less wheat". That is from the *Farm Union* of October 2. Was this an example of realistic guidance on the market outlook for different crops? I should like to say a word or two more about this Liberal program because I saw nothing in the speech from the throne or in the remarks of the minister to indicate there was any consideration being given to continuing the ideas they had at the beginning of 1963. What is being forecast for 1964? What can we expect in the next speech from the throne? Here is what they said:

> Under a Liberal government, a reorganized industrial development bank will be able to provide long term finance for co-operatives. Improved research services will benefit co-operatives.

I looked for that in the speech from the throne this spring but I never saw anything about it and I have not heard anything about it since. Here is another quotation from the program:

> A Liberal government is pledged to increase the return to the farmer from wheat sold in Canada for human consumption.

Well, I see no evidence that this is being done. Then again, there was the $2 a bushel wheat, and there was the two price system. The program is specific about this. The Prime Minister, speaking in Saskatoon on March 6, said:

> This policy (two price system for wheat) will be accompanied by a consumer subsidy so that there will be no rise in the price of bread.

No more has been heard about that. Another change forecast in that program was the introduction of deficiency payments on a quarterly basis for oats and barley and a wide

range of agricultural products. I would point out to the committee that only the other day the minister announced a policy with regard to eggs. Did he say payments were to be made on a quarterly basis? No, he did not. This, like the rest of this program, has been completely forgotten. Even the few ideas which the Liberals might have been able to grasp as possible solutions for some of the difficulties in which agriculture now finds itself, have been forgotten, too. I could read on but I see I should lose too much time if I got worked up over these broken promises. No wonder the party opposite includes so few members from the rural areas of Canada. No wonder the Liberal party is represented by only four members who know anything about agriculture. It is because they have advocated this false Liberal program over the years.

Farmers and other Canadians want leadership from a minister of agriculture. They want a future to which they can look forward. The minister talked about ARDA. What has happened to ARDA since the program became the responsibility of the present government? It has become an almost completely ineffective piece of legislation. The sum of $4 million has been made available to it, the minister has told us, though $50 million was made available by the previous government over a three year period. The hon. gentleman talked about farm credit and the leadership which has been provided in this regard. The Liberal program says:

> Farmers who wish to switch from dairying to other enterprises to which their farms are better suited, will be encouraged in the Liberal plan by credit and assistance specifically adapted to this purpose.

Have we heard anything about this promise since? No. The minister mentioned farm credit a while ago, but that is all. The operations of the stabilization board remain unchanged. Perhaps the board needs some modernization. That is why amendments to acts are introduced.

The hon. gentleman spoke of the dairy industry. Well, the butter subsidy is still the same only we are able, now, to balance our production against our consumption as a result of a Conservative program for paying a subsidy to butter consumers which has brought about an increase in consumption. Certainly, there is a problem in connection with eastern feed grain. We have been studying it for three or four days now. Provisional pricing may and I think will provide a benefit. But this was already designed before, under our announced policy for legislation in the house. The storage charges on grain are going to be paid. This is similar to what we had promised we were going to do. The minister said that an agency would be assigned to look after this matter, but the agency would have no teeth in it. It is a rather useless agency if that is all it is going to be.

In an earlier speech he made in the house he talked about farm machinery and said there must be depots and renting and pools. Any western farmer who is depending for his whole livelihood on 7,000 or 8,000 bushels of grain that must be harvested wants his own combine so he can get out and harvest it. Back in the early 'forties a lot of custom combining was done, but the trend is away from that today. It may go back to it but I do not think it will. As for renting and pools, I found renting to be rather expensive. I am in several machinery pools with some of my neighbours. With certain types of inexpensive machines which can be used at any time of the season pools will work all right. But a tractor represents 50 per cent of the farm machinery cost of any given farmer and a tractor and combine are needed if one is to engage in the farming business in a full time way at all. No pool will provide any real solution to that. When the minister talked about this a while ago I wonder whether he had read the report of the committee on agriculture set up to study that question some time ago.

Mr. Côté (Longueuil): Will the hon. member permit a question?

Mr. Horner (Acadia): I am sorry but I am running out of time.

An hon. Member: I'll say you are.

Mr. Horner (Acadia): You can ask me a question at the end of my speech. We have heard a lot of talk about why the wheat board and the board of grain commissioners were switched from the Department of Agriculture back to the Department of Trade and Commerce. The farmers wondered why. The reason is obvious. The Minister of Agriculture had something to say on June 22, 1963, which indicates the reason. He was referring to the China wheat sale and he said:

> That comes under the trade and commerce department now, and I know little about it.

"I know little about it". We never had such a barefaced admission of the facts before. Of course, he was a new minister then. "I know little about it". This was obvious to many western farmers and to many people throughout Canada. The Minister of Trade and Commerce is a former deputy minister of the department. The Minister of Agriculture was appointed by the Prime Minister, and as the Minister of Agriculture knew little about the subject it was natural to switch these boards back, not for the benefit of the producers but for the benefit of the Liberal party. That is

why it was done. It is obvious, and most Canadians recognize this fact now.

The Minister of Agriculture made a tour of Russia. What did he say about wheat over there? This was before the gigantic wheat deal with that country. What did he say? He never said anything. He did not come back and say, "I saw a poor crop over there".

Mr. Dupuis: You do not understand Russian anyway.

Mr. Horner (Acadia): You can look out the train window and see whether the crop is going to go five bushels to the acre or 40 bushels. The minister came back and said: "We can sell a lot more purebred Canadian beef over there".

An hon. Member: More bull.

Mr. Horner (Acadia): Well, perhaps so. We are looking, and I mean the Canadian public, for leadership in the Department of Agriculture. Here is what the Ottawa *Journal* said yesterday in referring to the whole hoax of the 60 days of decision of the present government. The editorial refers to the promise of two ministers of agriculture and goes on to say:

> It can hardly be said that there is even one minister.

That is a shocking statement to appear in a Canadian paper. That is a shocking statement to make about the primary industry of this country. We can hardly say we even have one. That is in direct contrast to what the situation was back in 1962 and 1961. Everybody in Canada knew then that we had a minister of agriculture, and everybody was proud of that minister of agriculture.

We hear a lot about leadership and the minister's position. At a meeting of the farmers union in Moose Jaw, Saskatchewan, the minister said:

> I would be irresponsible if I didn't urge farmers to examine the question of wheat output—

The heading of the article in the October *Union Farmer* is "Hays Calls for Less Wheat". The article goes on to say that the minister said the government would do all it could to investigate the problem. We wanted leadership. We wanted guidance.

An hon. Member: That is what you need, leadership.

Mr. Horner (Acadia): This is what the Minister of Trade and Commerce had to say about the same problem on August 12, 1963 at Edmonton, as found in the Saskatoon *Star-Phoenix*:

> Trade minister Mitchell Sharp stressed the need to reduce wheat acreage and production in favour of more barley and oats production.

We all remember that famous speech. Is this realistic guidance to the farmers of Canada as to what they are to do and what they are to produce? Certainly it is a short-sighted attitude on the part of two ministers of the cabinet, and they took it not because of their knowledge of the subject but because they were jealous of the record established by the former minister and wanted to cut it down to their size, or below their size if at all possible. That is why they took that attitude.

We have heard some talk today about a veterinary college in western Canada and the minister's offer of 25 per cent or $625,000. I read an editorial in the *Canadian Cattleman* which condemned the minister for being so stingy. It pointed out that the federal government will spend $1 million to build a vocational training school. They have in Drumheller, Stettler and many other places throughout Alberta and Canada generally. But they will only put up $625,000 for a veterinary college when the federal government is importing veterinarians into this country. Is this logical? When we are importing veterinarians from Great Britain, Australia and New Zealand is this logical? The minister wrote a very nice letter to the editor of the *Canadian Cattleman* and explained that he wanted to suck in the provincial governments, and he felt that if he put up enough bait one of them would grab it because he knew they were all eager to have it. With regard to the Department of Agriculture spending money, I would point out that the minister said, as reported in the Regina *Leader-Post* of June 28, 1963:

> There would be nothing wrong with spending a lot more on agriculture in this country.

The minister knew he could suck in the province of Saskatchewan on a veterinary college because they wanted to get it before it went to the proper place, Alberta, where most of the cattle are, and the minister was quite successful. Another Social Credit Albertan is pounding his desk, but how he can do that I do not know when the province of Alberta, which is so wealthy from oil and gas, is so stingy with regard to spending money on the basic industry of that province.

I am going to have to slow up a little perhaps, and try to get across the theme of my remarks. If the Prime Minister does not choose somebody more capable of providing leadership for agriculture, and the present minister is allowed to continue to wander and squander throughout the department and throughout Canada, then I want to make a few suggestions in the hope that if he is left in that department he will heed the call of Canadians generally, and of the agriculture

industry, for a strong minister of agriculture, a minister with foresight and leadership.

At the beginning of the minister's term of office I was reluctant, as the record will prove, to ask him questions and to press him because I knew he was a new minister. I also know he is a capable businessman in his own personal business. But I want him to take hold, to take an interest and to go to work in this department, if he is capable of providing leadership.

In the early days of the session, there was a bit of comment concerning some of the replies the minister made in the house. If the minister was not in his seat, we pointed this out to hon. members. If he happened to be away selling cattle, we gently nudged him and said, "Now, Harry, you have a new job; you have to drop this cattle selling and assume a more important role in Canadian life." However, the minister continued his efforts on behalf of a few of my learned colleagues, like Dr. Rynard and others who are in the cattle industry and who sell purebred cattle.

If one takes a certain look at what this government has done during 200 days in office, he must conclude it is time the Prime Minister took a look at this department. We have looked at all the departments. We have gone through finance, post office, health and welfare and so on. Now, let us look at the basic industry of this country, agriculture. It is still the backbone of the country. All I am asking is that we take a look at this department. The minister must ask himself, "Do I want to be minister? Do I want to bring in new programs? Do I want to explain those programs in this parliament or do I want to continue travelling across Canada as an auctioneer for cattle breeders?" If he does continue this practice, he is neglecting his official duties.

The Toronto *Globe and Mail* has commented on this situation more than once. They even suggested that there was talk of having two ministers, but we have not seen the second one. We rarely see the first. Perhaps we need a third. Surely, 200 days is sufficient time for the minister to find himself and take hold of his duties.

The Ottawa *Journal* had this to say:

> He will say, naturally, that cabinet ministers often appear on ceremonial occasions to give their blessings to buildings, fairs and other worth-while projects. The trouble with Mr. Hays is that he wants to participate rather than visit. If he were invited to lay a cornerstone we fear that he would keep the trowel and put up the whole wall.

This shows the man has energy, and I want him to use it for the benefit of the whole of Canadian agriculture, and not a special group he seems to prefer. I suggest that unless the Minister of Agriculture spends some time in the House of Commons and in his department, gets to know his department, becomes aware of the feeling of the average Canadian farmer, then he should spend all of his time at auctions. At one time, the minister boastfully stated, in speaking about agriculture in Alberta, that he had 5,000 acres of land, so many hired hands, trucks and so on. This does not entitle him to boast about his personal efforts in the field of agriculture. He is now the minister looking after the welfare of a vast number of farmers who do not have that same financial backing, and perhaps are in need of some financial backing.

It may be that some of my friends on the other side of the house will think I am being a little rough on their lovable friend, Harry. I am doing this for the explicit purpose of trying to direct his attention back to the Department of Agriculture, if it ever was on the department, for the benefit of farmers generally throughout Canada. Frankly, the minister must realize that he is no longer in the position of an athlete in the prime of life. He is rather like a hockey or baseball player reaching the end of his career but still trying to continue. The minister has now been called upon to accept a higher role in the affairs of Canada. He must meet that challenge that is presented to him. He must turn his mind away from his chosen line of business and direct his attention to the new aspect that confronts him. He must show a greater amount of leadership, a greater amount of foresight in his efforts to raise the standard of living of farmers throughout Canada.

Mr. Côté (Longueuil): May I ask the hon. member a simple question? Why does the hon. member spend so much time complaining, when all the western farmers are so happy after the record wheat sale we had this year?

Mr. Horner (Acadia): I could have dealt with wheat sales. I imagine you are going to give me time to deal with this question, Mr. Chairman. The hon. member for Medicine Hat suggested something along the same line. I may point out that I asked the members of the wheat board about wheat sales in the committee the other day. I asked what government provided the first credit wheat sales, and they frankly admitted that before the first China wheat sale there had never been any other wheat sale like it. No other government had attempted to put up that kind of credit for the sale of wheat. This sale established a pattern. We in the west are proud of it.

I was a member in those days when wheat sales were not being made, and I recall the great difficulties. We urged the cabinet at that time to consider the question of credit sales. For years, the farm unions had been crying

for this type of thing. We went ahead and did it. The farmers in western Canada know about wheat sales and they are happy with this program. They wanted it years ago, and now that it has been established it is starting to bear fruit. It bore more fruit last year and is continuing to bear fruit this year. The former minister of agriculture, the Hon. Alvin Hamilton, told them to go out and grow all the wheat they could and he would sell it. He was quite sure of the market outlook at that time. Away back as far as February, 1963, he forecast record wheat sales for this year. This is nothing new to the farmers. They accepted this and they are grateful to the Minister of Trade and Commerce for continuing the pattern we established.

We want further leadership on many of the other agricultural problems, such as credit. I could go into these problems at length, but I realize, Mr. Chairman, you have been patient in allowing me to answer this question.

Mr. Herridge: I feel very humble indeed, after listening to my colleagues talk about the huge tractors required, and the great horsepower required, to operate their farms. I rise to speak, Mr. Chairman, only as a rancher who has a five horsepower lawnmower. I might say also that I would not attempt to compete with the hon. gentleman who has taken his seat, so far as lung power is concerned.

Listening to these debates on agriculture throughout the years makes one realize that there have been a number of interesting personalities who have been ministers of agriculture from western Canada. We all remember the Hon. W. R. Motherwell, who I think was respected by all regardless of party; the late Hon. James Gardiner who, while we differed very sharply, was recognized as a fighter, particularly for prairie agriculture. Then, we had the Hon. Douglas Harkness who, while he was very conscientious and sincere, I always felt was more at home on the parade ground than in the village hall. Then, we had the Hon. Alvin Hamilton, who was an auctioneer of ideas. He was a very conscientious minister and left some worth-while policies behind him which I trust the present government will do something to continue and improve.

Now Mr. Chairman, I come to the present Minister of Agriculture. I cannot help commenting, as I sit in the house on this side and watch his cherubic expression, regardless of statements being made by various members of the opposition, that he is an auctioneer of livestock. We have had two very famous speeches by ministers this session, two that will probably go down in history. The first was made by the Minister without Portfolio, more correctly termed the minister still in waiting. He made a very well organized, fruitful and, I thought, thoughtful speech. I read the text in one of the agricultural magazines. I can well imagine his getting the assistance of the officials and members of the profession that he knows; possibly even his good wife, because it was obvious after you read the speech that he was preaching for a call.

I intended, Mr. Chairman, to deal with another aspect of agricultural policy this evening, but I feel that owing to the development of the debate and these two famous speeches, they should be dealt with. I am going to deal with the speech the Minister of Agriculture made to the farmers club in Chicago on December 2. I might explain that I understand the farmers club in Chicago is like the members of the Rideau club in stetson hats. Anyway, the minister is almost unknown in the interior of British Columbia. I have had many inquiries and letters asking me, "What does he look like? How does he think?"

An hon. Member: Does he?

Mr. Herridge: "How does he talk? What does he say?" Mr. Chairman, I am going to let him speak for himself. This will save me a great deal of correspondence and I think it is worth while letting the people of Canada know how the minister thinks, because if you size up how the minister thinks you get some idea of what Liberal agricultural policy is.

This famous speech in Chicago was given on the same day that the hon. member for Red Currant—

Some hon. Members: Oh, oh.

Mr. Herridge: —Swift Current-Maple Creek rose on a question of privilege. The committee will remember that the minister's absence was noted, as usual, and the Prime Minister rose and explained that he was away on official business. I shall deal with the official business in a few minutes. His speech was taped; parts of it have been given on the radio and it has whetted the appetite of thousands for more. It is unique. It is unusual, and I am sure when the members of this house have heard it they will say it is a fantastic speech. It is a speech that deals with his family tree; that deals with his rise —his Horatio Alger rise from a farm boy to a position of prestige and importance in the federal government; that deals with his philosophy of life and then deals with Liberal agricultural policy. I think we owe it to the members of this house and to the nation to let them know how the minister thinks. I have a text of the speech here taken from the tape recording:

Speech by the Hon. Harry Hays, Minister of Agriculture, to the Chicago farmers club, December 2, 1963.

This is an authorized and authentic copy.

When it was suggested to me that I should come and speak to the Chicago farmers club, I decided that I wanted to do that job. I have the kind of Prime Minister who allows me to come down here—

Wasn't that kind of him?

—and I understand that I am the first of his ministers who has had the privilege of speaking in Chicago. In any case, I am elated to be here. Dr. Wilson, in introducing me, was pretty kind to me because generally I've been in trouble all my life—

That is an understatement, if ever there was one.

Some hon. Members: Oh, oh.

Mr. Herridge: His speech continues:

To be the Minister of Agriculture, to be the mayor of a city, to be the auctioneer of a good sale, or of a poor sale, you have to be a bit of an optimist and to show you how optimistic I am about the problems of the farmers and that sort of thing I'd like to tell you a story about an uncle of mine.

This is very closely related to agriculture. You can see the minister was on official business.

I live in Alberta, which is north of the state of Montana. And our country is much the same as some parts of Montana. And we have there a government called a Social Credit government, which has turned into a very conservative republican government.

There is a point I want to raise here, Mr. Chairman. This has caused a great deal of concern. Is the minister now co-operating with the hon. member for Lotbiniere in a campaign against Her Majesty? I hope the minister explains this when he replies later on in the debate, because it is causing concern.

During the depression time, they put a moratorium on interest payments so that the farmer might be able to pay his debts. They wouldn't let anybody foreclose.

It sounds as if the minister was a bit disappointed himself.

But I had an uncle who lived in a small town where I was born, north of Calgary, who had guaranteed a couple of million dollars worth of loans. He had guaranteed the interest, so you can see what happened to him during the depression—the interest he had to pay dissipated his complete fortune.

Well, he had a heart at least:

We had a little hotel about a half mile from the cemetery.

A good place.

And we lived about four miles out of town, but he decided when this took place that he would go down to the hotel every morning to try and drink the beer faster than they could make it. He did this for 20 years. Every morning he was the first fellow there and every night he was the last guy to go home. Of course he didn't have much money left and he was the town gossip. Not only did everybody talk about him, but during the day he talked about everybody else.

I have a great deal of respect for this uncle of mine. He was a real champion of mine because he had been very, very successful in the real estate business.

This indicates that the minister's mind is not directed toward agriculture; it is still directed principally toward business.

I remember we had an old postmaster who used to go over and pick up the mail every day when the train came in at one o'clock. He had a two-wheel cart and he'd take it back to the post office and sort the mail every day. You set your clock by him. When he was a very old man, one day he died. And they came down to the beer parlour and someone said to this group where my uncle was partaking that day, "Say, you know Joe King died" My uncle said, "Well, isn't that something".

He left a will and they wanted him to open up the will right away. So, they opened it up and (now remember I told you the cemetery is about a half a mile away from the beer parlour), he said in his will he wanted to be buried eight feet deep.

My uncle looked at it for a minute, and he finally said, "Well I'll tell you what to do. You let them bury old Joe King eight feet deep and when I die you just bury me two feet deep. And on resurrection day I'll be down to the beer parlour before old Joe King is at the cemetery gate".

Some hon. Members: Oh, oh.

Mr. Knowles: This is the minister who was on federal business.

Mr. Herridge: He continues:

That's the kind of an optimistic family we had.

I can say to the members of the farmers club, "Didn't you have a good idea of agricultural policy?" He continued:

I remember my run for mayor of the city of Calgary. My wife and I were driving down to our ranch about three weeks before the election, and they were trying to get somebody to run against this fellow in office. I said to my wife, "You know, I think I'll run for mayor". "Oh God, Harry", she said, "you couldn't get that job and if you did you couldn't run the city". Now this was kind of a challenge to me. So about a week or ten days after that I decided to run. And I did, and I squeezed in.

It was the first time I had ever been in the city hall. And I'll tell you that was an experience.

That is not the last experience the minister is going to have.

When I had been there for 3½ years running the city, everybody realized how hard it was. And because I was having such a hard time they put me in easy the second time.

Then Mr. Pearson came along and suggested maybe I should run for parliament.

The picked and chosen of the Prime Minister. Then he said:

If I had known what I do now—talk about the job at city hall being a tough one, this one is a lot worse.

I am sure the minister said that with great warmth.

There are only about four agriculturalists in the whole Liberal party but they are all agriculturalists on the opposition side. So I get a good overhaul every day, every day.

Mr. Chairman, I will just try to guess who the other agriculturists are. The first would naturally be the Secretary of State for External Affairs, who many times was the agricultural spokesman for the Liberal party; and have I not heard him plead for the government to do something for the soybean growers in his constituency? I am sure another is the Postmaster General. When I say that, I must explain, Mr. Chairman, I have in mind that he farms out other things.

There are great problems in agriculture in the United States, and we have them, too, in Canada. Mr. President, I think no one knows better than I know, and I would like to express this thought, that you people in the Chicago farmers club, people who have made your living elsewhere, have a great love for the land. You have gone back to farming, raising cattle and raising grain, raising fruit and all the various things that you raise on farms. To me the farmer is possibly the great artist of our time.

He will have to be under this government.

When I think of the great things that you—let me call you sidewalk farmers—

I never heard of that kind before.

—have done for agriculture throughout the world, I don't think that you could buy it. I don't think that all our research centres compete with it or could compare with the things that are done by people who are business people, who love the land, who have the energy and foresight and the get up and go to make money to invest in farms.

Here is the Minister of Agriculture practically disowning the research staff of the Department of Agriculture, and the research staffs of the provincial governments, and placing these other peoples' ideas ahead of all the research on agriculture that has been done up to date.

Most of you, I know many of you, keep these farms—they don't keep you. But the contribution that you make to agriculture cannot be measured in gold. I think of some of the great cows that have come from the Mount Vernon and the Brampton farms, to recall only a few. I could go on and on. Most of these animals were bred and developed by people just like yourselves. You've given this to posterity and I don't know how we can thank people like you.

I remember not so long ago being in Denmark looking at a great array of oil paintings by the great artists of our times. When I stop and think that I was looking at the champion steer last week in Toronto, the week before last (incidentally I believe it was a steer from Ohio) I realize that the people who put this flesh and blood together certainly were artists. Certainly they were dedicated people. And certainly they were people who did a great deal for Canadian, for North American agriculture and, in so far as that is concerned, they did it for the world.

If you want to check all the world records both in championships and in production records in so far as cattle are concerned, and chickens, sheep and what have you, you'll find that the people interested in agriculture such as yourself, have made their contribution. Certainly it has been felt and we are all deeply grateful for it.

I would like to just say a word about Canada's agriculture which is something I think you will be interested in. We have a great deal to thank you for in so far as Canadian agriculture is concerned. But sometimes we become greatly concerned in Canada, sitting beside our very powerful neighbour for we have a great deal of respect for everything that you do.

I hope the minister considers he is only speaking for himself in that respect.

Now that you are leaders of the world we can take a great deal of gratification in the fact that you are our neighbour, our closest neighbour. We are pleased that you are in the position you are, because we know that anything you are doing is in good hands.

We in Canadian agriculture though sometimes become concerned by the off-hand manner in which you treat us, because we are your best customers. We buy more from you than any other country in the world. And you in turn are our best customers—but sometimes we worry a little bit. For instance, at the moment I think you have five or six bills coming up before congress that are possibly going to control your meat products in the United States. Canada is a high-cost country but we do ship you quite a bit of meat and we'd be in an awful predicament if we couldn't ship. So, I gathered some figures for you because you are leaders in your field and because I know they will be received in the manner in which I wish to give them.

Then the minister goes on and—

Mr. Hays: Why don't you give the figures?

Mr. Herridge: I am glad I am getting encouragement from the minister. I was afraid I was boring him.

At the moment we ship to you something like 500,000 head of beef cattle a year. Now this compares, I think, with about half as much as you get from Australia. I don't know what the figures are and the amount that you receive from Mexico and some of these countries, but this is the comparison and these are the things that we worry about when it looks as though you may cut us off.

And I'll give you these round figures which I think will be of interest to you. The total amount of beef that we ship into the United States in a year represents 5.8 per cent, that is five days of your total consumption. That is all the beef we send in. And the meat that we import represents, although it is a smaller amount, seven days consumption for Canada. Now get these figures because they are pretty important. Although the amounts are different, the amount of meat that we ship into the United States represents a five day supply for you, a bit over five days and a half. The amount that we import in beef products, processed beef, stripped beef and that sort of thing, feeds our people for seven days.

But when we take all of the agricultural products that we ship into the United States, and you are our best customers, it will feed your people for one and a half days. The amount of feed, the amount in dollars, the amount that you ship back to us will feed our people for 29 days.

So you can see how concerned we become sometimes when one segment of the industry says, "Well, we don't like these exports (or imports) coming into our country." We would hope that you would take a look at the whole picture. This is

a pretty big story to sell, but it's a pretty big thing to us in Canada, when we are in this position. Stop and think about poultry for instance. We import 35 to your one in Canada; our exports are one part and yours are 35. In cheese it is four to one in your favour. In so far as grain is concerned we don't send much grain in here, but last year we imported from you 35 million bushels of corn, which we were pleased to get.

But here's something we would like you to consider in so far as Canada is concerned. Because we have to live together on this North American continent we're one and the same economy. We are a great storehouse of energy and oil and all of the things that you may need in strategic materials waiting to be used by the North American people. There are certain things in the United States that we must always have, things that we can't grow because geography makes it impossible for us to grow. I mentioned a few of these, for instance cotton. We must have your cotton. We will always need it. We can't grow cotton, we'll need your citrus fruits, oranges, grapefruit; we need your vegetables out of season. We need rice, we need soybeans—

I am sure, Mr. Chairman, I remember the hon. member for Essex East pleading with the former government to assist the soybeans producers in Ontario.

—we need peanuts. All of these things are agricultural commodities that you people produce that we cannot or never never will produce.

This all adds up to the fact that our economy is a high-cost one, compared with yours because we're north of the 49th parallel and we have to live with the elements. The United States and Canada will always be great trading nations. I was going to mention wheat. We have in Canada 60 million acres of arable land. We farm 5 per cent of Canada—just the small amount of 5 per cent. This 60 million acres hasn't changed in the last 30 years very much.

It won't change very much in the next few years because they are going to drown a lot of land in the Kootenays.

This year we had a bumper crop of wheat. We grew something like 700 million bushels—720 to be exact—which is a record crop. The highest we've ever grown from 27 million acres. And then a small amount of soft wheat which we grew in Ontario, for which you would have to add a couple of million bushels. This grain for the most part, has been marketed as you know. We grew 27 million acres at the expense of a certain amount of acreage that would ordinarily be sown to oats and barley and coarse grains and that sort of thing. But this grain is an expensive proposition for us. So are our beef cattle an expensive proposition for us. So are our dairy products.

This is a very interesting paragraph.

If we in dairy products are going to live or compete with the rest of the world, for instance Argentina or New Zealand or Australia, we will have to change our whole pattern of dairy farming. But I don't say that we will have to change it so far as the cost of fluid milk is concerned. As long as we are shipping fluid milk we will have to produce it the year round.

But we are giving great consideration to educating our people to live with geography. For instance, you can produce a pound of cheese at almost half the amount of money in the summer as you can in the winter.

[Mr. Herridge.]

I would like the minister to explain this, because it almost indicates that you milk the cows in summer and let them dry up in the winter.

Storage facilities have changed and we are taking a long look at some of these problems.

We are also at the moment taking a long look at the high cost of machinery in Canada. We think that if we are going to be producing for world markets, then we must take a look at some of these great problems. Because it doesn't seem right that you should have $40,000 invested in a section that requires $25,000 or $30,000 worth of machinery to operate it. Particularly when you think about the problems we have in Canada. One year we might have a big crop like we had this year and a farmer has 6,000 bushels of wheat on 300 acres. And he hasn't had it marketed and his neighbour has the same thing so he goes out and buys an $8,000 or $9,000 combine. And then the next year he's sitting there with the combine and he got hailed out and his neighbour got hailed out and everybody else. So he's got no place to put the combine. And the third year he got dried out and about that time the old lady ran away with the hired man and he's in a real mess, this fellow.

I suggest that it is not fair to the farm housewife of the prairie provinces to suggest that they are in the practice of running away with the hired man.

These are some of the problems that confront the Canadian farmer, and I'm sure you have the same problem here. Another thing that we're taking a look at is crop disaster. When a man is hailed out, blown out, frozen out, all of these are a great worry to him and we think that we admire some of your crop insurance and we are going to take a long look at this.

We shall be interested in the minister's intentions in regard to that.

When we were in Holland we saw it was costing $2,000 an acre to reclaim land from the sea. And we were told that they were selling this back to the producer at greatly reduced prices and giving him 60 years to pay for it at 3 per cent interest. This will show you the important place the farmer holds in these older countries. The producer of food is the very backbone of their economy.

I agree with the minister there.

Mr. Chairman, I would think that we have the same problems here. We in Canada would like to work very closely with you in agriculture. I suggested the last time I saw your secretary of agriculture, Mr. Freeman, that we would like to ship a little more cheese into the United States. And because we only send in 500,000 pounds and we import 2 million pounds it looked to me like we had a real good argument. He said "Well, but you have cheddar cheese". I said to him "I think this is a specialty cheese and I'm going to call it Freeman cheese from now on."

I hope that if he is elected again—

Actually, the secretary of agriculture is appointed over there, not elected—

—we will be able to export more cheese into the United States.

Now, I'm being a little facetious about this, but these are some of the problems that confront us in Canada. We have a great deal of admiration for our friends in the United States, the farmer

particularly, because you have given us the very foundation of our dairy cattle; most of the best ones come from this country.

I differ with the minister over that. The original stock of the Ayrshire herds and the Holsteins came from Scotland, Great Britain and the European countries, and most of the best ones come from this country.

Much of our cereal seed grain comes from this country.

He means the United States, there.

We would like to work closely with you in research also. Our problems will always be the same because it looks as though for quite some time we are going to be producing all agricultural commodities in surplus and so we will be competing in world markets.

The minister has anticipated that we are going to be producing agricultural commodities in surplus for some time. This represents an almost subconscious thinking and I hope the minister explains that statement when he replies.

Nevertheless, we would like to work very closely with you people in this regard.

Mr. Chairman, I appreciate the opportunity of speaking to you this afternoon. I would be remiss in my duties if I did not invite you back to Canada. I hope that you will see fit to come to Canada. It has been a real pleasure to be here this afternoon. I only wish I could stay this evening. Thank you very much.

Mr. Chairman, I have put this somewhat unusual speech on the record because I think it will save a lot of members' time explaining what type of man the minister is, how he thinks, how he talks, and what government agricultural policy is. This will enlighten the people of Canada and I trust that when the minister replies later on he will explain some of his ambiguous statements. We expect ambiguous statements from the Secretary of State for External Affairs but not from the Minister of Agriculture. I have always claimed in talking to other hon. members of my group that there is one thing about farmers—you know where they stand. But I tell you at this stage, Mr. Chairman, we do not know where the Minister of Agriculture stands.

[*Translation*]

Mr. Ouellet: Mr. Chairman, the agricultural problems in our area are being seriously considered by a growing number of people in eastern Canada.

It should be said, therefore, that the eastern farmer's lot is receiving the kind attention of many members of this house who have made up their minds to draw plans to improve substantially and without delay the difficult financial situation in which the farmers find themselves.

According to official reports, there would be one area in Canada, the west, where farmers have seen their financial situation gradually improve in recent years, whereas, in the case of eastern farmers, the situation is deteriorating to the point where many are and will be incapable of carrying their burden.

However, thank goodness, solutions are being proposed to prevent the disaster from spreading.

The catholic farmers' union and the federated co-operative of Quebec have always been engaged in promoting and protecting the general interest of agriculture. In the last few months, both associations, which are beneficial and essential to the welfare of farmers, have submitted requests to the proper quarter in order that a sound solution to the problems of their members be found, particularly the problem of the feed grain required by the stock-breeding industry in eastern Canada.

It is easy to see that western farmers, generally speaking, are satisfied at the present time. On the other hand, they do not seem to be too much interested in eastern Canada buyers and to be anxious to inquire about prices paid by customers who are farmers like themselves.

At the present time, we have to pay close to $20 a ton, for instance, for feed grain delivered in Montreal. And it is precisely on that point that we have to co-operate if we want the purposes of the stock-breeders in my region to be achieved. On that matter, the officers of our syndicates and co-operatives have their heart set on attaining our object, which is to participate in the crop abundance in the prairie provinces, in the reasonable and equitable prices obtained by western farmers and finally, allow our stock-breeders in eastern Canada to benefit from a steady and necessary increase.

Thus, since 1941, the federal government grants a freight subsidy for feed grain produced in the prairie provinces and consumed on farms in eastern Canada and in British Columbia.

In Montreal, that subsidy amounts to $5 a ton at the present time. As an average for the whole province, it amounts to some $8 a ton.

That is not a statutory policy. The subsidy is annual and is renewed each year by order in council.

Quebec imports about one million tons of grain and mill feed from western mills, that is 35 or 40 per cent of the requirements. For the fiscal year ended March 1961, Quebec farmers received some $7.7 million under that policy.

On an average, the province of Quebec gets 40 per cent of the total amount paid out by the federal government under that policy.

The province of Quebec is a dairy province directed toward grass farming. Its natural environment is quite suited for such direction.

An excellent method of consolidating the Quebec farms is to direct their activities towards those livestock productions in which we are short. At the present time, the increase of these productions is handicapped by a cost-price squeeze.

Our local production of feed grain covers only 60 to 65 per cent of our local requirements, at the present level of our livestock production. We could, of course, increase our local production of feed grain, but never enough to meet all our needs, especially in barley and wheat.

The subsidy rate did not keep pace with the increase in freight rates. In 1941, the subsidy represented in Montreal $4.50 per ton; today, it is equivalent to $5 per ton. During the same period, the freight rate increased from $5 to $13.20 per ton.

Most farmers and agricultural advisers in our cattle industry are aware of that fact.

When we get a department of agriculture for eastern Canada, it will be the reward for our efforts in Ottawa in order to gain a fair appreciation of our farm requirements.

We all have here a responsibility to change a state of affairs that means frustration for our rural population.

You are aware of the fact that people have been complaining to the government for a long time, and now is the time to act.

Finally, I should like to point out that the ARDA offices at Mont Joli, in the riding of Rimouski, were officially opened last December 8.

Federal and provincial ministers and members of parliament took advantage of the occasion to take a quick look at the projects which are being considered for the Rimouski-lower St. Lawrence pilot district.

ARDA forces neither plans nor projects upon people. It merely strives to help them in the preparation and implementation of plans and projects.

Its usefulness and efficiency in carrying out the various necessary reforms for the redevelopment of the territory covered by the pilot district will depend on the collective and individual co-operation of the parties concerned.

Our farmers truly deserve our solicitude and all men of goodwill are invited to contribute to their welfare and survival.

ARDA offers us a chance of progress and success. Will we take it? I hope so.

[*Text*]

Mr. Nesbitt: I just want to take a moment or two of the committee's time to mention one or two matters which occur to me. I listened to some of the minister's remarks this evening and this afternoon. While he touched on several aspects of the dairy industry I feel that the affairs of the industry in general were not given the consideration they deserved.

The dairy industry in Ontario and Quebec at the present time finds itself in a precarious state. There are many problems connected with it. The minister and his department are familiar with these problems, I am sure, and I hope that in the near future, as soon as possible, the hon. gentleman will get in touch with the ministers of agriculture of Ontario and Quebec and with the dairy farmers organizations and try to work out some solution to the dairy problem, because the difficulties of this industry seem to be growing more and more acute.

In conclusion, I should like to ask one question of the minister. It is my understanding that the concentrated milk producers of Ontario have been trying for weeks to obtain an appointment with him without success. This is an important matter. This is an important organization representing a large number of the dairy farmers of Ontario and, indirectly, their compatriots in other parts of the country. I do hope the minister will be able to find time to meet this delegation as soon as possible.

Mr. Hays: I should like to answer that question. I can assure the hon. member my door is always open. There is no delegation that I have not seen as soon as possible. Over my gate back home there is a sign—I think it is a famous sign in Calgary now—saying: "The latch string is always out". That is the way I have tried to operate since I have been in Ottawa.

While I am on my feet, perhaps I might say a word about the discussion so far. I hope everybody has had a great deal of fun here this evening. Certainly, I have. If I have provided some of it, I am thankful for that. All through my life I have had a great admiration for people who do things and I would like hon. members to know that it is a great challenge to me to be Minister of Agriculture. I say this humbly. I do not have as much book learning as a lot of people have, but I have a sense of responsibility and I can contribute to agriculture. There has been a great group of leaders in agriculture before me; one cannot help being aware of this when holding an office such as mine. I am thankful that this year—perhaps we did not have too much to do with it—we are looking back on 1963 as the greatest agricultural year Canada has ever known—$3,200 million, the best ever recorded.

We are trying sincerely to do something about the eastern feed grain situation. We

thought that if we were to pay the storage it would make an impact. I think that by the end of the season we shall have all the feed grain in store in eastern Canada for eastern users. It will be $3 a ton cheaper for both oats and barley, half the price for bran, and shorts are almost half the price which farmers had to pay a year ago. Price has been stabilized and we think this has made some contribution to bringing about a wholly better situation.

We think we have done something in connection with the dairy program. We have taken a sincere look at it. In this connection I should like to read to the committee from an article which appeared in the London *Free Press* and other newspapers. It is a report of something which was said by a very responsible man, Mr. J. M. Hartwick, president of the National Dairy Council of Canada. He said:

> A shift to cheese production from butter has helped provide the dairy industry with the most optimistic situation experienced in many years. It is now almost certain that cheddar cheese sales in Canada this year will record an all-time high of well over 105 million pounds.

Mr. Hartwick commends the federal government for the things it has done. I could also read the favourable comments which have been made by the tobacco growers who were paid a floor price of 47 cents. These people had a difficult problem. Well, they have sold 22 million pounds of their tobacco at higher prices than have ruled for a long time, and it appears it will be possible for them to get rid of all their tobacco this year and clean up a problem which has worried them for a long time.

I could go on in this vein. There have been successes in nearly every field of agriculture although, maybe, we have not been selling this story hard enough. We still have a big job to do. We shall never be through. I have a great team behind me. These people are trying to help me and I need help, and I am getting some help from the other side, too. I think we can do a job for agriculture in Canada and I hope, in some small way, I can make a contribution.

Mr. Nesbitt: I much appreciate the minister's answer. I hope he will indicate that he will see the Ontario concentrated milk producers delegation perhaps before Christmas, and, certainly, before the year is out. I am glad to see the minister is nodding in assent. That is fine. I trust the hon. gentleman was not referring to me when he suggested that some members might have been trying to have some fun at his expense, because that would certainly not be the case; I regard this subject as being a very serious matter indeed.

I am glad the minister has said the things he did this evening indicating that he intends to take a serious look at the milk side of the dairy industry in particular, because that is the part of this industry which is in the most difficult position of all.

Mr. Langlois: I do not intend to speak for very long on the estimates of this department.

Some hon. Members: Hear, hear.

Mr. Langlois: I wonder if the supporters of the government are fearful I may get back at the Minister of Agriculture on the subject of eastern feed grain and the appointment of a minister of agriculture, east. I do not think they are too far wrong. I probably will not make the kind of speech that was made in Chicago. I have not got that kind of competence. I heard the minister say a few moments ago that he felt a little ill at ease after taking on such a ministry. We know he was a very successful man in his own line of business, but I must say that we cannot permit him to rely on experience of that kind so far as agriculture in Canada is concerned. In that regard I am referring particularly to the situation in the eastern part of Canada.

Eastern agriculture has been neglected and is in a pitiful state economically at the moment. I do not blame the Minister of Agriculture in office now. I blame those that were there before him and the governments that preceded the present government. I blame the Liberal government that was in power prior to the Conservative administration of 1958, and the Conservative administration which took power at that time. That Conversative government had 208 seats in the house and yet could not find any possible way to solve some of the problems of eastern Canadian agriculture.

I heard the minister say today that there are two broad groups of farmers, the qualified and the more or less marginal group. He forgot one group, those who are in such deep financial trouble at the moment, those who are in a hopeless situation at the moment in the eastern provinces, especially in the province of Quebec, who represent by far the majority of the farmers in these provinces.

We have farmers in Quebec who are leaving their farms today, and the same applies to New Brunswick. They are doing so for the simple reason they cannot make both ends meet. They are working in the same way they worked 20 years ago. They are still slaving from sunup to sundown. The only difference is that at the end of the year ends do not meet any more, financially. Even if we take just the two groups, the qualified and the marginal, those farmers

have financial troubles. Every single farmer has them. Some of them have more than others.

So far as the western farmers are concerned, the government looked into their troubles in 1935 and helped them to solve their financial troubles to a certain extent by stabilizing the price of their grain. In 1935 the government formed the Canadian wheat board, and I think every western farmer is very proud of the Canadian wheat board.

How proud the eastern farmers would be if they had an eastern feed grain board. They are waiting for the same type of governmental action that was taken in 1935 to solve the problems of the western farmers to be taken now to solve the problems of the eastern farmers. The eastern farmers are in a critical financial state. If we compare western farms and eastern farms we find that western Canada is a better grain producing region and the farms do not need the care and labour that has to be put into eastern farms. Western farmers have a capable organization to sell their wheat. The government has an eye on the matter and sees that it is done. The western farmers have a guaranteed price. They have a floor price on their wheat and they at least have that guarantee.

What has the eastern farmer got as a guarantee? First of all, he does not produce enough for his own needs. This year in the province of Quebec there is 45 per cent underproduction. Where is the organization on the part of the government? The eastern farmer has to go through co-operatives, mills, brokers, distributors right to the lakehead, every kind of organization imaginable, to get the feed grain necessary for the winter. At the moment he has a fairly difficult time obtaining it at a decent price or at a price that will permit him to continue farming. There is no stable price in eastern Canada.

I heard one member say today that a farmer can start to prepare livestock, and before the winter is over the price of feed grain has varied so much that it is utterly hopeless for him to make ends meet. In Geneva in 1959 there was an international conference to stabilize the price of wheat on the world market and to provide floor and ceiling prices. If that was good for the world, why can we not have a stabilized price in the province of Quebec and the eastern provinces generally? If you can stabilize the price of wheat going out of the country, why can you not stabilize the price of grain coming into the eastern provinces so that it will not be too expensive on the one hand, and so that it will not go too low in price on the other hand? At least the farmers would know within what limits the price would range.

[Mr. Langlois.]

How are we going to stabilize the price? How do we solve the problem in eastern Canada at the moment? We have discussed it for the past few weeks in the standing committee on agriculture. I heard one opposition member say that the government had a two price system in its election platform. Why not provide a two price system in eastern Canada and pay a subsidy on western feed grain and seed grain also, so that the farmers of eastern Canada could obtain grain at a reasonable price and could make both ends meet at the end of the year? At the same time this would assure that the western farmer would receive his price also. With a subsidy on grain coming into eastern Canada the eastern farmer could purchase grain at a price which would allow him to make both ends meet at the end of the year. His financial problems would be solved and those of the western farmer would also be solved.

Eastern farmers have nothing against western farmers. They know they are not getting too much for their wheat or feed grains. But eastern farmers also know one other fact. They know they are paying too much for feed grain in the eastern provinces, and I suggest that anybody who thinks this is not so should go and take over a farm in any constituency in eastern Canada. I can take the Minister of Agriculture, or the supposed eastern minister of agriculture, to my constituency and put them on a farm. Up until six or seven years ago there were many farms in the province of Quebec that had been free of debt since our ancestors came to this country. Why is it that the same men who up until that time had been able to operate these farms and to have money in the bank today are in debt to the farm loan board, are in great difficulty and are wondering how to make both ends meet in order to pay their debts? These men are moving off the farms at the age of 40 or 45 and going into the city to try to find work. Yet we wonder why we have unemployment. Do hon. members think those farmers do not want to work their farms? They certainly do. It is no more pleasant to starve in the city than to starve on their own farms, but they are being kicked off their farms because they cannot even pay the taxes.

There is a possible solution, if the government wants to listen to one—and I would ask some of the government members to listen. I hear some talking by Liberal members. They can talk if they like. They did their talking for the 22 years preceding 1958. Now, perhaps the farmer will wonder why he is in such a mess. Instead of telling the farmer to look at his administrative problems, the government might tell him to take a pencil and

calculate why he is in this position. If three-quarters of the farmers did this, they would not have lasted until now. They are always living in hope. When you make the calculation on paper, you destroy the castle of hope in which the farmer has lived, and you destroy any hope he has of pulling himself out of the financial situation in which he is today.

We need an eastern feed grain board for eastern Canada. This board should buy its grain direct from the Canadian wheat board, which sells grain for western farmers. If the law does not permit these direct sales, then the law should be amended. If this were done, we might have some control over the movement of wheat. At the moment we cannot follow the movement of wheat from western Canada to Port Arthur or Fort William and then through a zigzag line. We do not know where it goes. All we know is that the farmer is paying for it. We have agencies, and we do not want another agency added to the ones we already have. If you add another agency to the 20 we have, we will merely have 21 agencies. The twenty first agency will take a profit. What we want is one agency to negotiate with the Canadian wheat board so that we can buy wheat at the price at which the wheat board sells it.

Then, this agency should use the shortest and cheapest route to get the grain into the farmer's yard. The cheapest way for the farmer is the shortest way, and not this zigzag line the grain follows at the moment. If the grain is moved through an agency the government will have a certain amount of control and supervision over that agency. The minister wanted to have supervision of the grain by this agency. I can supervise somebody all I want, but if I have no power to stop him from going into a bank or a shop and robbing the place, I might as well not be there at all. We do not want a board to supervise; we want a board to act in distributing the grain and controlling the movement of the grain. Then, the representatives on that board could appear before the agriculture committee and we could question them.

Then, Mr. Chairman, the government could employ the eastern feed grain board to administer the subsidy which it gives to the eastern farmer, the subsidy on transportation. We do not know the amount of this subsidy. The government also gives a subsidy for storage and another subsidy for protecting the grain. If all these subsidies were given to the eastern feed grain board, then the price of grain to the farmer might be reduced. If the price were still too high, then the farmers could make representations to the government to the effect they needed greater subsidies to enable them to operate with a profit. We have farmers now who are willing to work, but you will not keep them on the farms, you will not keep their sons on farms, as long as this situation exists.

The establishment of this eastern feed grain board would eliminate these excess profits taken by the agencies who handle the grain in its movement from the lakehead to the farmer. This board could also have some measure of control over the feed mill. How much do we pay for feed at the moment from the mill, what we call chop? I believe we pay anywhere from $5.90 to $6.50 per hundred pounds. Can the minister tell me he knows what is in that chop? If there is a nickel's worth of some ingredient added, can the minister say at the moment that is sufficient reason for raising the price 75 cents? Does he know the situation? Let him look into it and establish a decent price for feed from western Canada for the eastern farmer.

Let us consider the position of the hog raiser in eastern Canada at the moment. If he raises 100 hogs and calculates the cost of feed and his time, he will find he is going to come out $150 in the hole. This amounts to a loss of $1.50 per hog. At that rate, is the minister or anybody else going to stay on the farm? The farmers are the ones who are classified. They are always the ones on the receiving end. If a farmer sells a hog, it is going to be classified as a class A hog, and he will be paid for it. If it is a class B, he will be paid for that. If he sells a class C hog, he will get the price for class C. When the Minister of Agriculture walks into a butcher shop, he buys a piece of pork. Did he ever buy a piece of class A, class B or class C? He might be buying a class C piece of pork but paying the price for class A. There are no distinguishing marks on that pork. However, everything the farmer sells is classified. The department classifies chickens, eggs and hogs. The farmer is a classified man, even in so far as the income tax department is concerned. He is also a desperate man, and he will be ruined if the minister does not take his responsibility seriously.

The minister can refer all he likes to the minister of agriculture for eastern Canada. If the government gave the eastern minister of agriculture responsibility for this feed grain board, and if it were operated properly, that would suffice for the eastern farmer. This would permit the eastern farmer to make both ends meet. Perhaps it would enable the eastern farmer to get a little more for his produce, and this would give him something above his cost of production. There are only two solutions to this problem, and I think the one I mentioned first would be the logical one. If a government agency for wheat sales was good for western Canada, it should be good for eastern Canada. If a stabilized price for wheat

is good for the international wheat market, it should be good for eastern Canada as well. We should do these things at home before we put them on a worldwide basis. I do not blame this government for helping the western farmer; he needed it. Our greatest market for wheat is the export market. I believe, for that reason, we have forgotten about our internal market. It is high time we started thinking about it.

The eastern farmer sees ships containing millions of bushels of wheat going up the St. Lawrence destined for China, Yugoslavia and Russia. It is all very nice that we are selling our wheat, but the eastern farmers are grinding their teeth. Eastern farmers are looking at these ships with anxiety and with sorrowful hearts, knowing that we are selling wheat to Poland cheaper than they can buy their feed wheat. Farmers are wondering why the government is worrying about Russia and Yugoslavia, because they think it is time the government started worrying about the Canadian people on Canadian farms. Then, when Canadian farmers are satisfied, you can start selling wheat outside of Canada. This is the primary problem to be solved at the moment.

I do not understand a situation which prevents the eastern farmer from buying wheat directly from the wheat board. But you can do it with United States corn. In 1962-63, 35 million bushels of United States corn came into eastern Canada. There is one group of persons that can buy from western farmers directly; these are the feed mills and the western flour mills. Nobody else has such a privilege. In fact, when you buy corn from the United States you do not even need a permit; you only need to pay the duty on it. You can take all the corn you want. But you cannot do it with Canadian wheat. Before putting boundaries in your own country you should solve this problem. You are creating problems when you put a boundary between eastern and western Canada with regard to grain.

It is no better to put a boundary between eastern and western Canada with regard to grain than if you put one between the United States and this country and started imposing taxes and duties on every single import or export that went through. We have special exports and imports that are duty free. This is a normal thing and it is a good thing. This system is adopted by both countries. We need grain in both countries. Either take the wall away or set up an organization that can go through the wall. This would be an eastern feed board. Nobody else can go through this wall because of the law. Not only would there be supervision with such a board, but somebody would be responsible for control. In the long run this would bring good results. You will have to perhaps eliminate some things. It will be hard to push aside some of the people who have their hands in this business at the moment. There are some people at the moment who have no conscience in their dealings. You have some racketeers in this business. You have always had some. You had some in 1935 in western Canada. You still have some in eastern Canada. You will have trouble pushing them aside, but as long as you permit some of these rats that are eating at and chewing away the rules that apply to Canadian agriculture you will not solve this problem. Do not try to cover it by a Liberal or Conservative blanket. At the end of three or four years these rats will have eaten the blanket too and we will have to change the government. This government should try to arrive at a solution that on a long term basis would be stable and good for western and eastern farmers. Then you might have a higher prestige as the government of Canada; but at the moment your prestige is very low as far as the farmers in the eastern provinces are concerned.

If the problem is not solved before you next go to the Canadian people, you will have a great deal of explaining to do. And if it is not solved I will also be there to give the people the reason for your not wanting to solve the problem.

Mr. Fane: Mr. Chairman, I am very happy to have the opportunity this evening to speak on the estimates of the Department of Agriculture. I have waited since May 18 for just this opportunity. There have not been too many times when we have been able to speak about agriculture, and when we have said something we have not got very far with it. I am very sorry that the hour is so late. It is ten minutes after ten o'clock and I believe our sitting will finish at 10.30.

An hon. Member: Ten fifteen.

Mr. Fane: Therefore, Mr. Chairman, my remarks will be very brief, much more brief than I intended. Before beginning my remarks I want to say how impressed I am with the address of the hon. member for Megantic who preceded me. I think he has put forward as good a case for the farmers of Quebec as I have ever heard. For the life of me I cannot understand why, in the name of God, something has not been done for the farmers of eastern Canada to help them out over the years. We in the west were in exactly the same position up till 1957. Last year we heard a great deal about the fact that if a farmer in Quebec made $1,200 a year profit he felt almost like a millionaire. That is the way it was in the west with most of us up

till 1957. There were many things I wanted to say to the minister, Mr. Chairman, but I will not say them because of the lateness of the hour.

There are, however, a few things I do want to point out. I want the minister to know that I realize how difficult it must be for him to live up to the tenets of a district governor of the Rotary club and be at the same time a minister in a Liberal government. This must be really tough on him. As we know, the first of the tenets of the Rotary club is truth. He cannot always have Judy with him. I wanted to make some remarks about the speech of the hon. member for Medicine Hat, but I think the hon. member for Acadia gave him a pretty good going over. I will come back to that hon. member a little later.

I wish to say one thing about the farmers of eastern Canada who buy feed grain. Perhaps people in the east do not know that the farmers of western Canada pay the freight on the grain, whether it is feed grain or wheat, all the way to the lakehead or Vancouver. It costs every farmer who sells grain 26 cents per 100 pounds to ship the grain down there. We have only that small amount to pay because of the Crowsnest pass freight rate, the agreement which gives us that freight rate to the lakehead. This rate is in effect because of agreements made in the past and because the transcontinental railway companies were well paid when they ran their railways through our country. They obtained one eighteenth of the land of western Canada in payment for continuing these low freight rates in perpetuity.

I should like to make some comments about the Prairie Farm Assistance Act and crop insurance. The government of the province of Alberta has not yet seen fit to do anything about implementing crop insurance in our province. I know they are talking about it this year, and they may do it some time. I think this government should make amendments to the Prairie Farm Assistance Act which will make its benefits available to all farmers. This would be fair to all. At the moment, in order to receive prairie farm assistance you must have a block of 12 sections in a rectangular block which has suffered a crop failure. I think this is too much. Who in the world ever heard of rain, hail, drought, or any other cause of failure, coming in rectangular blocks? I do not know why in all these years since 1939 a farmer is not eligible to receive assistance if he has a block of one section, because I can assure the committee that misfortune does not always hit 12 sections or, as it was before, 18 sections.

In 1962 in my constituency about 30 townships were flooded out. They had as much as 35 inches of rainfall in an area where 12 inches or 15 inches a year is a lot. The farmers lost their whole crop on the lowlands, but they did not get prairie farm assistance because some of them sowed a little on the hilltops and were able to harvest pretty good crops off the 10 or 15 acres that they sowed there. For the purposes of assistance the whole area was assessed on the amount taken off those little patches, and I believe that is a regulation which should be changed.

I would like to see this government honour its commitments to provide stabilized prices for hogs and chickens on a regional basis. I know this will be quite difficult to do, and I would also like to see the government fulfil its promise to provide a two price system for wheat. Most of all, I would like to see the Prairie Farm Assistance Act brought up to date and its provisions made more reasonable, so that all those farmers who have not been able to get assistance over the years will be able to get it in the future.

With regard to machinery prices, I do not know what kind of deal the minister hopes to work out on a rental basis for farm machinery. As a matter of fact, I would like to rent a nice big tractor myself at a reasonable price, as mine are getting a little worn out. It is the price of farm machinery which keeps the farmers in the west almost broke. For example, 20 years ago the biggest combine in the country could be bought for the value of between 2,500 and 3,000 bushels of wheat. It now costs something between the value of 9,000 and 10,000 bushels of wheat. It is a little better machine, a little more streamlined, but it will not stand up a darned bit better. It will do a little more work a little bit faster, but the increase in price is out of all reason because the price of farm produce has not gone up in ratio to the price of machinery.

I was a member of the agriculture committee when it was inquiring into the price of farm machinery. We did not get too far with it, but we did get a lot of information that might be of assistance to the minister who wants to have the government go into the farm machinery business. All I can say is that I wish him luck.

We in the west are very pleased that the government is continuing the practice that was instituted by its immediate predecessor in selling grain to countries who do not have the same political ideology we have. I have always said that if we do not sell grain to those people—despite what our friends to my left say—and that if we do not deal with them, then how in the name of God are we going to get to know each other? How are we

going to get people to realize that there are really decent people behind the iron curtain? That is what I believe and that is what I have always preached.

If they need the grain, sell it to them. We sure as heck don't need it piled up on farms, in skating rinks, or anywhere for that matter. The big thing is that we are a producing nation, and in order to survive we have got to sell our products. That is what has to be accomplished, and that is what was instituted by the former government through its minister of agriculture, the Hon. Alvin Hamilton. It was that which put the farmers of western Canada on their feet.

The former Liberal government said "Come and get it. We raise the best wheat in the world, come and get it." We went to these people and we made the deals. We did not wait to deal with them until they came to Ottawa and said they wanted to make a deal. However, we are very pleased that this government is continuing that policy.

We are also pleased to note that a veterinary college is to be established in western Canada. For many years there has been a dearth of veterinarians, and it will be a very good thing to have this college.

I now wish to make some remarks about farm credit. I believe that my constituency, while it is one of the most prosperous and most forward looking constituencies in the west, makes more use of farm credit than any other area of similar size in the country.

Thank you, Mr. Chairman.

Mr. Pickersgill: Mr. Chairman, I wonder before you leave the chair if there would be a disposition to continue for a little while after the royal assent. I believe this would be a convenience, especially for some of the western members, because there might be some difficulty in bringing these estimates on again until quite late next week.

Mr. Churchill: That is quite agreeable to us.

The Chairman: Is it agreed?

Mr. Douglas: How long has the minister in mind, because this is a long day, and the banking and commerce committee starts at nine o'clock in the morning.

Mr. Pickersgill: I thought perhaps to about 11.

Mr. Douglas: Then only as long as it is to eleven.

The Chairman: Is it agreed?

An hon. Member: No.

The Chairman: I understand there is not unanimous consent.

[Mr. Fane.]

Mr. Pickersgill: Yes, there is.

The Chairman: Is it unanimously agreed?

An hon. Member: No.

Progress reported.

THE ROYAL ASSENT

A message was delivered by Major C. R. Lamoureux, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, it is the desire of the Honourable the Deputy of His Excellency, the Governor General, that this honourable house attend him immediately in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the house went up to the Senate chamber.

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

An act to amend the Quebec Savings Banks Act.
An act to amend the St. Lawrence Seaway Authority Act.
An act to amend the Railway Act.
An act to amend the Canadian Overseas Telecommunication Corporation Act.
An act to amend the Emergency Gold Mining Assistance Act.
An act to amend the Small Businesses Loans Act.
An act respecting the appointment of Auditors for National Railways.
An act to amend the Old Age Assistance Act, the Disabled Persons Act and the Blind Persons Act.

BUSINESS OF THE HOUSE

Mr. Churchill: May we have from the leader of the house the business for tomorrow and Saturday?

Mr. Pickersgill: Yes. I should like to suggest a slight modification in the order of arrangements for tomorrow, but, before I do that, hon. members will have noticed that the somewhat belated resolution respecting the worlds fair bill was advanced one stage today. We would not wish to have any debate on it, but if there were a disposition to dispose of it without debate so that the bill might become available for debate on Monday, it would be a convenience. Perhaps hon. gentlemen opposite could let me know before we sit tomorrow morning whether that would be possible.

As far as the departments are concerned, the Minister of Justice finds he has committed himself to do something in the afternoon, tomorrow, and it would suit the government much better if we could begin with the estimates of the Department of Northern Affairs and National Resources. If we could take the Department of Fisheries and any

other department whose estimates are already well advanced, up until about four thirty in the afternoon, I believe the Minister of Justice would then be available, and we could then go on with his estimates until they were completed. We would always have some other minister available in the event that anything more could be done that day.

On Saturday, as I announced earlier, we would start with the estimates of the Department of Citizenship and Immigration. When these are completed, if the estimates of the Department of Justice have not been completed we would like to bring those back in the hope of completing them. After that we would take up the estimates of the Department of Public Works. That, perhaps, would be enough for Saturday. If the estimates of the Department of Public Works were completed on Saturday we would adjourn even if it was not quite six o'clock.

It being twenty two minutes before eleven o'clock the house adjourned, without question put.

28902-5—369½

HOUSE OF COMMONS

Friday, December 13, 1963

The house met at 11 a.m.

PRIVILEGE

MR. DOUGLAS—ALLEGED EXCESSIVE PROFITS OF SUGAR COMPANIES

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I rise on a question of privilege. I will state my question of privilege, I will read a letter to substantiate that statement, and move a motion. For several months we have been told by ministers of the crown that the series of increases in the price of sugar has been due entirely to the rise in world prices and has not been due to any undue profiteering by the sugar companies of Canada. I have in my hand a letter from the British Columbia Sugar Refining Company dated November 29 and signed by the president. It says:

> Due to the higher prices for sugar that prevailed through most of the past financial year, the profits of the over-all company have proven to be greater than normal. Under these circumstances, the directors of the company have decided that a special bonus be paid to all permanent employees.
>
> The amount of each individual bonus has been determined by a formula which takes into account the length of service of each employee. Your bonus cheque is enclosed with this letter.
>
> I wish to point out that this payment does not establish a precedent as it is being made as a result of most unusual circumstances that may not again arise in future years. It is hoped that it will be accepted in recognition of your years of service through both poor and good years.
>
> The company has no wish to receive any publicity from making this payment and I would be obliged if each of you would keep it as confidential as possible.
>
> Yours very truly,
> Forrest Rogers, president.

I move, seconded by the hon. member for Port Arthur:

> That in the opinion of this house the government should investigate the excessive profits made by the sugar companies of Canada due to the price increases imposed in 1963.

Mr. Speaker: Once more I have to decide whether there is or is not a good question of privilege. It seems to me, after due consideration, that the motion I have in my hand is a grievance in the nature of a substantive motion which, of course, requires notice. In view of the fact that the estimates of the Department of Justice should be up for discussion this afternoon I do not believe there is a bona fide question of privilege at this time.

Mr. Douglas: I wonder if the house would give unanimous consent to considering this motion?

Some hon. Members: Agreed.

Hon. J. W. Pickersgill (Secretary of State): Perhaps I might just say a word about that. There is one great difficulty about this matter. This is a subject which could quite properly be discussed today when, as Your Honour has indicated, the estimates are considered, and it does seem to me that to have some other procedure intervening, particularly in view of the ruling of the Chair, would be to follow a particularly unusual course.

Mr. Douglas: On the point of order, I would point out that to discuss this matter on the estimates of the Minister of Justice would not give the house an opportunity to express an opinion. Moreover, this subject covers a wider field than the item in the estimates of the Department of Justice. However, having regard to the objection expressed by the Secretary of State, I will accept your ruling, Mr. Speaker.

PUBLIC SERVICE

AMENDMENTS RESPECTING SALARIES OF CERTAIN PUBLIC OFFICIALS

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, before you put this motion I wonder if I could say a word. The motion has to do, of course, with a salaries bill. I think there was agreement through the usual channels that when this particular motion came up we would do what we did with certain other motions about a week ago, namely that we would consider this matter as soon as orders of the day were reached and that by agreement Your Honour would leave the chair and the matter would be disposed of without debate so that the bill would be available for debate on Monday.

Mr. Speaker: Is it agreed that the procedure suggested by the Secretary of State is acceptable to the house?

Some hon. Members: Agreed.

Hon. Lionel Chevrier (for the Prime Minister) moved that the house go into committee later this day to consider the following resolution, which has been recommended to the house by His Excellency:

Inquiries of the Ministry

That it is expedient to introduce a measure to amend the Canada Grain Act, the Financial Administration Act, the Income Tax Act, the International Boundary Waters Treaty Act, the National Energy Board Act, the Railway Act, the Salaries Act and the Tariff Board Act with respect to the salaries of certain public officials.

Motion agreed to.

BANKING AND COMMERCE

Twelfth report of standing committee on banking and commerce—Mr. Asselin (Notre Dame de Grace).

ADMINISTRATION OF JUSTICE

QUEBEC—ALLEGED MISCARRIAGE IN COFFIN CASE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, with the consent of the house I want to make reference to a statement that has appeared in a newspaper, as a foundation for the question I am about to ask. The statement is to the effect that at the time the Coffin case came before the cabinet the advice of the then prime minister, Right Hon. Louis St. Laurent, tendered to the then governor general of Canada, Right Hon. Vincent Massey, was followed by argument but that a constitutional crisis was averted. The report states that Mr. Massey did not want to sign the order to carry out the sentence of the court, and that he was only induced to do so by the eloquence and judicial wisdom of the prime minister of that day. It is stated that the story is based on a reliable source.

I ask the Minister of Justice this question. Is it not correct that under no circumstances does anyone reveal what passes between a prime minister and the governor general of Canada, and that the attitude taken by a governor general is never made public? If that be so, is the minister looking into the question of who this reliable source was or is?

An hon. Member: Peter Newman.

Mr. Diefenbaker: I was speaking of a reliable source. This is a serious constitutional breach, and it certainly should be looked into.

Hon. Lionel Chevrier (Minister of Justice): Well, Mr. Speaker, the Leader of the Opposition prefaced his question with a fairly long statement, and then asked a question which I think should have been put and should be answered. I need hardly say that when I listened to the news this morning I was very disturbed by the statement. Let me say, incidentally, that I considered the question of the right hon. gentleman very serious, notwithstanding the fact that perhaps it was not so considered by hon. members on the other side of the house.

[Mr. Chevrier.]

Some hon. Members: No, no.

Mr. Lambert: Nonsense.

Mr. Chevrier: I considered it so serious that I decided to call up Right Hon. Mr. St. Laurent, the former prime minister, and since the conversation with him was in French I should like to put it on *Hansard* in that language.

[*Translation*]

Mr. St. Laurent, to whom I spoke this morning, tells me that this story is ridiculous, that he did not see the governor general about that matter and that he did not intervene in any manner whatsoever.

[*Text*]

I also took it upon myself to communicate with the former governor general, Mr. Massey, who told me he had received a number of inquiries from the press to all of which he had stated the following, that the principle in these matters is quite clear; the government of the day is responsible for its decisions and the governor general, under our system, acts on their advice.

Since I am on the subject I should like to remind the house that after the Coffin appeal had been dismissed unanimously by the Quebec court of appeal and leave to appeal to the Supreme Court of Canada refused, a reference was made by the governor in council to the Supreme Court of Canada under section 55 of the Supreme Court of Canada Act. The terms of reference were as follows:

If the application made by Wilbert Coffin for leave to appeal to the Supreme Court of Canada had been granted on any of the grounds alleged in the said application, what disposition of the appeal would now be made by the court?

The Supreme Court of Canada refused to intervene in the decision.

Mr. Diefenbaker: What was the division of the court?

Mr. Chevrier: The division of the court was five against intervening and two who dissented from that view.

Mr. Reid Scott (Danforth): In view of the statements that are being made day by day regarding this whole incident, may I again ask the minister to reconsider his refusal to appoint a royal commission to look into this incredible series of disclosures?

Mr. Chevrier: With reference to that question, Mr. Speaker, which the hon. member has posed on more than one occasion, I may say I have inquired from the officers of the department on the question whether the sentence should have been commuted or allowed to take its course. I find that it was painstakingly investigated and considered in the Department of Justice and the cabinet

in the ordinary way before a recommendation was made to the governor in council. The record does not, of course, disclose the considerations that moved the cabinet to its recommendation. That confirms what the former prime minister, now the Leader of the Opposition, said with reference to the fact that there could be in his mind no question of matters of this nature being divulged in any way whatsoever, and I am convinced they were not.

However, I can say that the file indicates that representations were made to the department prior to consideration of the commutation issue, upon alleged new evidence relating to several of the matters now being raised, including the source of money spent by Coffin after the date of the murder, a rifle allegedly seen in Coffin's truck, other Americans in jeeps alleged to have been in the vicinity, and jeep tracks at the scene of the crime.

Mr. Diefenbaker: Well, Mr. Speaker, in view of the latter part of the minister's statement, namely that these various matters were considered, does he not feel that in the public interest the suggestion which was made by the hon. member for Danforth should be considered? This kind of thing is very difficult. I am not here trying to do anything to embarrass the minister. This is one of the most difficult problems a government faces; in view of the discussion that has been aroused and the books that have been written, would the minister, even if he did not appoint a royal commission, appoint a group of people to go into this matter? The administration of justice in connection with commutations is a heavy responsibility as it rests on the minister, and everything should be done to reassure the public that no miscarriage of justice took place.

Mr. Chevrier: I agree fully that nothing should be done in any department, more particularly the Department of Justice, which would lead to a miscarriage of justice, but I have to say at once that the moment these questions were raised, officers of the Department of Justice gave and are still giving consideration to them. They are, as I indicated earlier, reading the book. My right hon. friend shakes his head, but all this has arisen because of the book that has been written, and I am sure the book must be read and considered in the light of the information which is in the files of the Department of Justice.

What I want to say in answer to the question of the Leader of the Opposition is that until I have a report from them—and at this moment I must say I am not satisfied that there is cause for further action on the part of the government—none the less I am not closing the door to an investigation, and the director who is in charge of the criminal law section of the Department of Justice, together with several of the officers of the department, are devoting their time to a consideration of this matter.

Mr. Scott: As a supplementary question, in view of the fact that the controversy surrounding this matter is seriously calling into question the faith of a good many people in the whole administration of justice, would the minister urge the officials to hurry up their reading of the book so we could get a statement on Monday?

Mr. Chevrier: Well, Mr. Speaker, in my opinion this matter is so serious that it should not be considered by way of hurry up proceedings, and I think the time that should be taken to consider this will certainly be time well spent. While I cannot add any more to what I have said, in view of the remarks that were made on the radio I will be prepared, as time goes on, to report to the house on the matter.

Mr. T. C. Douglas (Burnaby-Coquitlam): Could I ask the minister if he would consider having some independent individual or group of persons make this survey, rather than officials who may feel that the reputation of the department is at stake and may consequently be somewhat prejudiced in their decisions?

Mr. Chevrier: Mr. Speaker, I think my answer to that question has been given already, namely that I am awaiting a report, and once I get the report I will be glad to look into the matter.

BRIDGES

THREE RIVERS—POSSIBLE REVOCATION OF ORDER IN COUNCIL

On the orders of the day:

[*Translation*]

Hon. Leon Balcer (Three Rivers): Mr. Speaker, I would like to ask the Minister of Transport a question.

Since the government of the province of Quebec approved yesterday a loan of $1,100,000 to grant a first contract for the construction of the Three Rivers bridge, can the Minister of Transport say today that the government will not cancel the order in council passed by the former government about that matter?

[*Text*]

Hon. G. J. McIlraith (Minister of Transport): No, Mr. Speaker, I cannot give the hon. member that information.

Inquiries of the Ministry

Mr. Balcer: Mr. Speaker, I think it is extremely important for the minister to reassure the house and the public in regard to this matter. I would like to ask another question of the minister. Is he aware that the provincial government had a cabinet meeting yesterday on this matter; that the minister of highways said the figure of $62 million quoted by the minister was simply ridiculous, and that the provincial government had given permission to the bridge corporation to go ahead whatever the decision of the federal government? I think it is extremely important that the minister should take his responsibility.

Mr. McIlraith: Mr. Speaker, the minister has been trying to take his responsibility in this very important matter. The situation is that the province has jurisdiction over roads and the federal government has the responsibility for the St. Lawrence waterway. The difficulty in this matter is receiving careful attention. I am not aware of all the assertions made in the hon. member's question, but I did see a newspaper item indicating that a contract for some of the preliminary construction was going to be let. I have no more information on that point than is contained in the news item.

It is perfectly obvious to anyone familiar with the situation that a crossing of the river in that general area is very much needed and wholly desirable; but it is also equally important to this country that the government should not stand idly by if in fact the reports are to the effect that the construction and location of the piers in the way proposed will materially affect shipping in the St. Lawrence system, and in addition damage the harbour of Three Rivers, which has a very good record as a harbour and one of which I am sure the hon. member who asked me the question would be very proud.

I therefore feel that the matter has to be treated responsibly and not in the way indicated by the question. At the moment I can tell my hon. friend that my latest information is that the provincial government is having hydraulic engineers study the effects of the piers on navigation on the St. Lawrence, and concurrently there is communication going on between the bridge company and the Department of Transport on the engineering matters involved.

Mr. Balcer: A supplementary question, Mr. Speaker. Is it not a fact that the hydraulic engineers of the provincial government reported to that government, and that it was following this report that the provincial government made its decision yesterday? The minister of highways is the one who said that after consulting those engineers it was decided that the figure of $62 million was ridiculous. What I am afraid of is that the minister will give his permission after the bridge is built.

Mr. Speaker: Order. Unless the minister has further information to give, it seems to me we have discussed this matter at considerable length and the minister has given all the information he could reasonably be expected to give at this time.

Mr. McIlraith: Mr. Speaker, the last part of the statement made by the minister—

Some hon. Members: Hear, hear.

Mr. McIlraith: —by the hon. member for Three Rivers requires an answer. The difference with this minister is that he does pay attention to competent engineers' reports when he sees them and tries to act responsibly.

Mr. Lambert: Order.

[*Translation*]

Mr. Clement Vincent (Nicolet-Yamaska): Mr. Speaker, may I ask the Minister of Transport a supplementary question?

Did he get recently a written communication from the premier of Quebec in this regard?

[*Text*]

Mr. McIlraith: Mr. Speaker, if I understood the hon. member correctly he used the adjective "recent" communication. The answer is no.

[*Later:*]

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Minister of Transport. In view of the fact that he said to the hon. member for Three Rivers (Mr. Balcer) that he had not received any letter from the premier of the province of Quebec, regarding the Three Rivers bridge could he tell the house whether he has received any communication from the premier of the province of Quebec or from another minister of that province on that matter?

[*Text*]

Mr. McIlraith: Mr. Speaker, I did discuss this matter with the premier of Quebec on a personal visit. I did not say that there had been no written communications; I said there had been no recent written communications.

Mr. Diefenbaker: No, you did not.

[*Translation*]

Mr. Pigeon: Mr. Speaker, I should like to put a supplementary question to the Minister of Transport. Can he tell whether that discussion contributed to hasten the hon. member for Three Rivers' project?

[*Text*]

Mr. McIlraith: No, Mr. Speaker. I hope it will bring about a proper solution of the difficulties in a way which will serve the interests both of the people in the communities adjacent thereto who require the bridge facility and of the people in Canada who require the shipping facility in order to keep the economy of this country operating at a high level.

[*Translation*]

Mr. Jean Chretien (St. Maurice-Lafleche): Mr. Speaker, I should like to put a supplementary question to the Minister of Transport. Does he think that a bridge will be built in the area of Three Rivers in the near future?

[*Text*]

Mr. McIlraith: Well, Mr. Speaker, that is the provincial government's responsibility, it is not the responsibility of the federal government; but I hope a bridge or tunnel will be built there in the near future.

TRANS-CANADA AIR LINES

WINNIPEG MAINTENANCE BASE—MEETING WITH MANITOBA DELEGATION

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I have a short question for the Minister of Transport which he can answer in his customary short way. Has a meeting been arranged for next week between representatives of Manitoba and the government concerning the T.C.A. overhaul and maintenance base in Winnipeg; and if so, can the minister give me the time, date and place?

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, perhaps the final arrangements were made in my absence and I was not told about it yesterday. I would like to check into the matter further.

Mr. Stanley Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. Was not an arrangement made weeks ago for such a meeting next Tuesday, and is not the Manitoba delegation coming?

Mr. McIlraith: There was a proposal for such a meeting, but I believe it was never made final.

Mr. Knowles: A supplementary question, Mr. Speaker. Will the Minister of Transport consult the Prime Minister and ascertain whether this matter was discussed at the last federal-provincial conference?

Mr. McIlraith: I am quite aware, Mr. Speaker, of some discussions with regard to this matter, but I was asked whether a meeting had been arranged.

Mr. Speaker: The hon. member for Berthier-Maskinonge-Delanaudiere.

[*Translation*]

Mr. Remi Paul (Berthier-Maskinonge-Delanaudiere): Mr. Speaker, my question has already been put.

[*Text*]

REPORTED STATEMENT BY PRESIDENT RESPECTING QUEBEC CRIME RATE

On the orders of the day:

Mr. Georges Valade (St. Mary): Mr. Speaker, my question is directed to the Minister of Transport. It arises from a statement by Mr. McGregor, president of Trans-Canada Air Lines-Air Canada, reported in this morning's paper, which quotes him as saying that Quebec is already free and that there are more hold-ups there than anywhere else. Does the minister not think this is an insult to the province of Quebec and, if so, does he not think that it is time Mr. McGregor shut up—

Mr. Speaker: Order.

Mr. Valade: I have asked the minister a question and would like his opinion in that regard.

Mr. Speaker: Order, please. I did not want to say this at this stage, but I will now. In my opinion that question is completely out of order.

Mr. Valade: Then I rise on a question of privilege, Mr. Speaker. As a member of parliament coming from the province of Quebec, and also on behalf of members from the province of Quebec in all parties in this house, we should feel insulted by the remarks made yesterday by Mr. McGregor about Quebec having the most hold-ups in this country. I question this statement. As a member of this house coming from the province of Quebec my question of privilege is that the Minister of Transport should ask the president of T.C.A. either to shut up and stop making these foolish statements or get out of his position.

[*Later:*]

[*Translation*]

Mr. Jean-Pierre Côté (Longueuil): Mr. Speaker, may I direct a question to the Minister of Justice?

Could the minister tell the house whether it is stipulated in the Criminal Code that a province where there are more armed robberies has more freedom and independence?

[*Text*]

REQUEST FOR RETRACTION OF STATEMENTS BY PRESIDENT

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I have a question in French for the Minister of Transport.

[*Translation*]

Bearing in mind the general consternation brought about by the answer the minister gave in the house yesterday concerning Mr. McGregor's statement about the Caravelle, does the hon. gentleman intend to tell us clearly whether he approves Mr. McGregor's remarks?

[*Text*]

On a point of order, Mr. Speaker—

Mr. Speaker: Order. There is no point of order. I think the minister is quite right in not answering.

Hon. Paul Martineau (Pontiac-Temiscamingue): On a point of order—

Mr. Pickersgill: The Speaker said there was no point of order.

Mr. Martineau: I am raising a point of order.

Mr. Speaker: Order. I think it is up to all hon. members to use a little discretion with regard to this very touchy racial and linguistic subject. I do think we should have a sense of responsibility.

Mr. Martineau: That is precisely the reason I am raising this point of order. Yesterday the Minister of Transport stated in answer to a question, as found on page 5746 of *Hansard*:

> The government has no intention of forcing Mr. McGregor to retract any statement he made. As far as I know, he made no inaccurate statement.

A little later in answer to a further question on the same subject he stated:

> Perhaps I should look at the answer and the question and see if my answer was sufficiently complete—

Because of that statement and because of the circumstance to which Your Honour has just referred, I think the minister should give a clear answer to the hon. member for Joliette-L'Assomption-Montcalm.

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, I think the hon. member has done a very good service in reading the answer I gave yesterday. I attended all the meetings of the committee, with one exception. Regrettably I had to miss one session because I was in the House of Commons dealing with legislation. During the time I was present at the committee meetings I heard no statement made with which I could disagree.

When I gave my answer yesterday it was quite apparent that there was a great deal of concern on the part of a segment of the members of the House of Commons. I believe it was the Leader of the Opposition who asked a question later in the proceedings yesterday, and I gave an answer then that was not so categorical.

Now, then, the committee evidence was not printed until late this forenoon. Part of it has been printed but the rest is not yet available. I propose to examine the evidence very carefully, because it is readily apparent to all who read the newspapers in both languages that there have been constructions put upon answers given in the committee which are not warranted. Indeed, this whole matter was raised in the committee, I think by way of a question of privilege, and the committee members took an active part in dissociating themselves from certain stories that appeared in one or two of the newspapers of that day.

Notwithstanding the statements of these hon. members, it seems that these newspaper stories have been printed as a record of what took place in the committee instead of the actual transcript of evidence. I want it to be clear that when I make these remarks about the press, they are not general. I believe the stories were confined to one or two newspapers, but unfortunately these stories seem to have been reprinted in other newspapers since and there is some real concern about the point raised by the hon. member. I propose to examine the evidence very carefully.

Mr. Pigeon: A supplementary question, Mr. Speaker; may I ask the minister to identify those newspapers?

Mr. Pickersgill: No.

Mr. McIlraith: Mr. Speaker, the reason is quite simple. The matter is one of the record of the printed proceedings of the committee, and I do believe that in a matter of this sort the record should be followed. I do not believe a subject like this should be treated lightly in the question period.

[*Translation*]

Mr. Jean-Pierre Côté (Longueuil): Mr. Speaker, I wish to ask a question—

[*Text*]

Mr. Georges Valade (St. Mary): Mr. Speaker, I rise on a question of privilege. According to Beauchesne a question of privilege should be raised as soon as the breach of privilege occurs, and it is for this reason

I am raising the question now. Just before the question was put by the hon. member for Joliette-L'Assomption-Montcalm, Your Honour said that the question referred to some racial or linguistic matter. I take exception to those remarks, sir—

Mr. Speaker: Order, please. I suggest to the hon. member for St. Mary that he wait and read in *Hansard* what was said. The interpretation he is giving now is not, I suggest, a proper interpretation of the remarks I made.

[*Translation*]

Mr. Côté (Longueuil): Mr. Speaker, I wish to direct a supplementary question to the Acting Prime Minister.

Can he deny or confirm reports now circulating to the effect that the next ambassador of Canada to France will be no one else than Mr. McGregor?

[*Later:*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I should like to set the record straight on the point made a moment ago by the Minister of Transport.

The minister mentioned that members of the committee had dissociated themselves from an article published in a Montreal paper, *La Presse*. I must point out that we dissociated ourselves from the article as far as bilingualism is concerned, but that we agree with the remarks in that paper concerning the Caravelle aircraft.

[*Text*]

Mr. Speaker: Order. I see no question in those long remarks.

TRADE

LUMBER—CANADIAN PROTESTS RESPECTING U.S. ACTION

On the orders of the day:

[*Translation*]

Hon. Paul Martineau (Pontiac-Temiscamingue): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce.

Could he tell us whether it is true that a confidential note has been given by our ambassador in Washington, Mr. Ritchie, to the assistant under secretary, Mr. Johnston, protesting against the United States legislation for the identification of Canadian timber? Could he state whether representations of the Canadian government have brought some results, up to now?

[*Text*]

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, the matter to which the hon. gentleman refers has been one of very great concern to the government. As hon. members know, a bill passed the United States Senate and I believe is now in conference or perhaps has now been approved by congress which would require the marking of imported goods and particularly the marking of sawn lumber. We have already made strong representations to the United States authorities both on the bill as a whole and on the lumber amendment, pointing out the restrictive effects on trade which would flow from the enactment of this measure. We are continuing to be in close touch. Indeed, I believe our ambassador was in the state department, and I think in the White House, yesterday putting forward these representations.

We believe that the amendment which deals with sawn lumber in particular is contrary to obligations undertaken by the United States under the general agreement on tariffs and trade. We are hopeful, of course, that these representations will have the effect of there being non-approval of the legislation by the President, but it is too early to say whether we have been successful.

Mr. Martineau: A supplementary question, Mr. Speaker. Can the minister say whether the note remitted by the ambassador is in the nature of a note of protest?

Mr. Sharp: Oh yes; the note is also one of protest, and we hope it will have the effect immediately of there being either the veto or non-approval of the legislation by the President.

Mr. D. V. Pugh (Okanagan-Boundary): Mr. Speaker, has the minister been in touch with his opposite number in the United States?

Mr. Sharp: Mr. Speaker, we thought because of the great importance of this matter that our representations should be made at the highest level, which is higher than my opposite number in the United States.

CANADIAN BROADCASTING CORPORATION

TORONTO—CONVERSION OF STATION CJBC TO FRENCH LANGUAGE

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to ask the Secretary of State a question which comes from the rising controversy in Toronto. Knowing the minister's powers of anticipation, I would ask him whether he has any kind of a statement or explanation about this move of the Canadian Broadcasting Corporation in converting station CJBC into a French language station in the Toronto market and audience area.

Inquiries of the Ministry

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I have received no communication, official or unofficial, from the Canadian Broadcasting Corporation about this matter. Therefore I am not in a position to provide any enlightenment to the house that has not already been provided by the press.

Mr. Reid Scott (Danforth): A supplementary question. I should like to ask the minister, in view of published stories in this morning's *Globe and Mail* which indicate the seeming reluctance of the C.B.C. to make this move, whether he can assure the house that there were no representations or pressures exerted by the government to compel the C.B.C. to make this move.

Mr. Pickersgill: I can assure the hon. gentleman that so far as this member of the government is concerned there was no such pressure, and I am sure there was none from any of my colleagues. I say that because I am the official channel of communication between the C.B.C. and the government.

I must say, sir, that it has been the policy, I think with the approval of all sections of the house, to endeavour to see either through public or private efforts that there is broadcasting wherever it is feasible for any significant minority, either English speaking or French speaking, in any part of this country. Just as I would be exceedingly sorry if anything should happen to jeopardize English language broadcasting in the city of Quebec, so I feel as a Canadian that the very considerable French speaking minority in southern Ontario is also deserving of similar consideration.

Mr. Fisher: A supplementary question. I should like to ask the President of the Privy Council whether he had any discussions with Mr. Ouimet on this decision to convert this radio station CJBC into a French language broadcasting station.

Hon. Maurice Lamontagne (President of the Privy Council): No, Mr. Speaker.

[*Later:*]

Mr. Eric A. Winkler (Grey-Bruce): I should like to direct a question to the Secretary of State supplementary to the questions put by the hon. member for Port Arthur. I wonder if he can tell the house whether there is, or will be, any plan to protect the interests and the future of outstanding personages such as Bruce Smith, Walter Bowles, Ed Fitkin, Elwood Glover and others in connection with the planned transfer of CJBC.

Mr. Pickersgill: I will draw the question of the hon. member to the attention of the board of directors of the Canadian Broadcasting Corporation, all but two of whom were appointed by the government of his right hon. leader.

Mr. Fisher: I should like to ask the minister if he knows whether the C.B.C. gave any consideration to whether this minority group could not be served by low power relay transmitters rather than by taking over a major station with an established market and audience.

Mr. Pickersgill: I will be glad to put that question to the C.B.C. and when I get an answer I will give it to the house.

Mr. Scott: Would the Secretary of State investigate the rumour that the person appointed to manage the French station cannot speak French?

Mr. Pickersgill: I will not conduct a personal investigation, because apart from not having the constitutional authority I would doubt my competence to do so. But I will draw that question also to the attention of the C.B.C.

NEWS BROADCAST RESPECTING INCREASES IN ASSISTANCE PAYMENTS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I rise on a question of privilege regarding the reporting of the proceedings of the house. I have here a copy of the transcript of the C.B.C. television news broadcast of last evening at eleven o'clock, which of course was a nation-wide broadcast. It says:

> The Commons has passed legislation increasing the old age assistance, blind and disabled allowances by $10 a month. The increases, passed by the vote of 117 to 100, bring the allowances up to $75 a month, the same as the federal old age pensions.

Some hon. Members: Hear, hear.

Mr. Douglas: Mr. Speaker, the members on the treasury benches seem to think this is amusing. I hope the C.B.C. does not think it is amusing and I am sure the nation does not think it is amusing, that a crown corporation responsible for communications in this country should make a statement which is completely at variance with the facts.

Mr. Churchill: And false.

Some hon. Members: Hear, hear.

Mr. Douglas: These increases were not passed by a majority of 117 to 100; they were passed unanimously.

Mr. Churchill: That's right.

Mr. Douglas: The vote of 117 to 100 had to do with an amendment moved on third reading

to refer the bill back to the committee of the whole to reconsider the matter of effective date.

Some hon. Members: Right.

Mr. Douglas: I think the record ought to be made clear, Mr. Speaker, and I think the minister to whom the C.B.C. is responsible ought to draw to the attention of the news department of the C.B.C. that it would be advisable to be more accurate in reporting the proceedings of parliament.

Some hon. Members: Hear, hear.

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, the hon. member for Burnaby-Coquitlam is an experienced member of this house, and I am sure he knows that this is not the first time that even an experienced member, in the guise of a question of privilege, has got his point of view put before the house.

Some hon. Members: Sit down.

Mr. Douglas: Mr. Speaker, I rise now on a question of privilege—

Mr. Pickersgill: Mr. Speaker—

Mr. Douglas: I rise on a question of privilege—

Mr. Pickersgill: Mr. Speaker, I—

Mr. Woolliams: Arrogance.

Mr. Speaker: Order. I wonder whether the hon. member for Burnaby-Coquitlam would allow the hon. minister just to finish his short statement.

Mr. Douglas: No, Mr. Speaker. I rise on a question of privilege. I intend to stop the Secretary of State—

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

Mr. Speaker: Order, please. The hon. member for Burnaby-Coquitlam.

Mr. Douglas: I intend to stop the Secretary of State—

Mr. Pickersgill: On a point of order, sir—

Some hon. Members: Sit down.

Mr. Pickersgill: On a point of order, the hon. gentleman knows—

Mr. Speaker: Order, please.

Mr. Douglas: On a question of privilege, Mr. Speaker—

Mr. Speaker: Order, please. I think in the circumstances the hon. member for Burnaby-Coquitlam—

Mr. Douglas: I am rising on a question of privilege.

Mr. Pickersgill: I am rising on a point of order again.

Some hon. Members: Sit down.

Mr. Smith: You can tell the C.B.C. what to do, but you can't tell us what to do.

Mr. Pickersgill: I am rising on a point of order.

Mr. Douglas: I am rising on a question of privilege, Mr. Speaker, and I do not intend to surrender the floor.

Some hon. Members: Hear, hear.

Mr. Pickersgill: Mr. Speaker—

Some hon. Members: Sit down.

Mr. Pickersgill: —I rise again on a point of order—

Mr. Douglas: I am on a question of privilege.

Mr. Speaker: Order, please.

Mr. Douglas: Mr. Speaker, you have already given me the floor three times.

Mr. Speaker: Order, please. The hon. member for Burnaby-Coquitlam.

Some hon. Members: Hear, hear.

Mr. Douglas: I do not intend to allow the Secretary of State to impute motives to me. He is not going to be allowed to do it in this house.

An hon. Member: He didn't.

Some hon. Members: He did.

Mr. Douglas: He made the suggestion that under the guise of a question of privilege I was seeking to do something else. I rose, as is my duty as a member of this house, to draw the attention of the house and the country to the fact that there was an inaccurate reporting of the proceedings of this house.

Mr. Monteith: Exactly.

Mr. Douglas: I did so in all honesty, and I do not intend to have motives imputed to me by the Secretary of State. This has become a common practice with him, and I do not intend to ignore it.

Mr. Pickersgill: Mr. Speaker, the last sentence of the hon. gentleman's remarks is about as clear an imputation of motive as anyone could possibly make—

Mr. Churchill: It is true.

Mr. Pickersgill: —in the suggestion my conduct is generally unbecoming. But I am not going to ask him to withdraw that remark at all—

Some hon. Members: Oh, oh.

Mr. Pickersgill: —if that is his opinion.

Mr. MacInnis: Mr. Speaker, on a point of order—

Mr. Pickersgill: I am not so thin skinned as to be worried—

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

Mr. Pickersgill: —and I do hope I might be allowed to speak now, after I have been—

Some hon. Members: Sit down.

Mr. Speaker: Order. The Secretary of State should be allowed to finish his statement.

Mr. Pickersgill: The hon. gentleman suggested I had imputed motives to him.

Some hon. Members: You did.

Mr. Pickersgill: If I imputed motives to him, I withdraw the imputation. But I go back to the point that an hon. member familiar with the rules knows that a question of privilege can be raised about the official record of this house, but if the time of the house is to be taken up—

Some hon. Members: Oh, oh.

Mr. Pickersgill: —by objecting, under the guise of questions of privilege, and attempting to correct every news report everywhere in this country, there would be no public business done at all.

Some hon. Members: Hear, hear.

Mr. Pickersgill: I was astonished that an hon. member belonging to a party which has always advocated the independence of the public broadcasting corporation should suddenly have suggested that the government should discipline that corporation—

Some hon. Members: Hear, hear.

Mr. Pickersgill: —and I can tell the hon. gentleman that from this side of the house there is going to be no suggestion of censorship of the news on the C.B.C., to please the N.D.P. or anybody else. If the Canadian Broadcasting Corporation made a mistake, that could be referred to in debate by any hon. member at any time and no doubt they would do their best, as would any other reputable news medium, to correct that mistake. But this is not the first time the C.B.C. news has made reports of things that happened in this house that some of us did not like.

Some hon. Members: Hear, hear.

Mr. Smith: But this is fact.

Mr. Pickersgill: Quite often there are reports that some of us on this side of the house do not like either. It seems to me, sir, we have had about enough of being thin skinned this morning, and we had better get on with the public business and leave it to the press and the broadcasters to report us, without trying to interfere with the way they do it.

Some hon. Members: Hear, hear.

Mr. Douglas: On a question of privilege, Mr. Speaker—

Mr. Pickersgill: Again?

Mr. Douglas: —the Secretary of State has just quoted me as saying that I wanted the government to discipline the Canadian Broadcasting Corporation.

Mr. Pickersgill: I did not say that.

Some hon. Members: You did.

Mr. Douglas: That statement, as the record will show, is completely untrue. What I said was that I would suggest that the minister to whom the Canadian Broadcasting Corporation is responsible should draw this to the attention of the news department of the C.B.C. That is all I asked. The minister could simply have said he was prepared to do that and the matter would have been dropped. I want to say also that this party is in favour of the Canadian Broadcasting Corporation being independent, and it is because we want to keep it independent that I have raised this matter.

Some hon. Members: Hear, hear.

Mr. Pickersgill: Mr. Speaker, I do not want to prolong this in any way, but I think when the hon. gentleman looks at the record he will see that I did not purport to quote him at all.

Mr. Knowles: You made that allusion.

Mr. Pickersgill: I made reference to my own opinion. Surely I am also entitled to give my opinion in this house without being restricted. But I did not attempt to quote the hon. gentleman, and I am not suggesting that I was attempting to quote him. If the record shows that I did, I will withdraw it at once.

Mr. Speaker: Order. I would like to make a suggestion to all hon. members in the house, that we now proceed with the orders of the day.

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a question for the Secretary of State, in view of what has just taken place here. Does the Secretary of State realize that the last four times he was on his feet, he was on his feet without recognition from the Chair?

Some hon. Members: Oh, oh.

Mr. Churchill: The Secretary of State wasting the time of the house.

SHIPPING

ST. LAWRENCE RIVER—WRECK OF SHIP CARRYING BEER

On the orders of the day:

Mr. Gustave Blouin (Saguenay): Mr. Speaker, I have a question for the Minister of Transport. Is the minister aware that the *Sainte Adresse* was shipwrecked during a storm on the night of December 10 on the north shore of the St. Lawrence carrying a cargo of 1,100 tons of beer cases, and what steps does the government intend to take to salvage this important liquid cargo so that my constituents can have a beer for the Christmas holidays?

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, in view of this particular ship's cargo I suspect that the hon. member will have no difficulty in getting very quick consideration of this problem.

SUGGESTED ESTABLISHMENT OF CANADIAN MERCHANT FLEET

On the orders of the day:

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I would like to direct a question to the Minister of Trade and Commerce. In the light of the statement made by Mr. Roy Crabtree, president of the Canadian Manufacturers' Association, that export of Canadian manufactured goods will exceed $1 billion this year, does not the minister feel that the time has come to have a merchant navy more realistic and better adapted to our transportation needs?

[*Text*]

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I see very little relation between the two statements of the hon. member.

DOMINION-PROVINCIAL RELATIONS

REPORTED STATEMENTS BY PREMIERS OF ONTARIO AND QUEBEC

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to direct a question to the Acting Prime Minister arising out of the speech made by Premier Robarts of Ontario to the Hamilton Traffic Club yesterday, wherein he stated that the province of Ontario was going to take a harder or tougher line in the future with the federal government. In view of the alleged spirit of warmth and harmony following the last federal-provincial conference, I wonder whether he would inform the members of this house which of the agreements between Ontario and the federal government are particularly vexing or that the premier is unhappy about, so we can be prepared for this battle which is going to take place.

Hon. Lionel Chevrier (Acting Prime Minister): Mr. Speaker, I cannot say what is in Premier Robarts' mind, but if he did say what my hon. friend quotes him as saying I could not blame him for wanting to try to drive a harder bargain for his province, in the same way as the premier of the province of Quebec is trying to drive a good bargain for Quebec. They are matters which will be discussed at the next federal-provincial conference on fiscal matters, and I have nothing more to add to the matter.

Mr. Olson: A supplementary question. Is the Acting Prime Minister saying that the premier of Ontario has not communicated this information to the federal government before?

Mr. Chevrier: Well, Mr. Speaker, I do not imagine that there has been any communication since the conference terminated its proceedings some days ago here in Ottawa.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question. Could I ask the minister whether his attention has been drawn to the statement of Hon. Eric Kierans in his speech to the Empire club in Toronto in which he attacked the fiscal policies of the federal government and criticized what he called the "increased economic nationalism in Ottawa"? I would ask the Acting Prime Minister whether these views are shared by government members from Quebec.

Mr. Chevrier: Mr. Speaker, my attention has not been drawn to that statement save and except as it has now. I have not the text of the speech, nor have I seen what Mr. Kierans has said, but I will be glad to look into it.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, may I put a supplementary question?

Does the minister share the opinion of Mr. Lesage who wants to impose double taxation and put the odium on the ministers of the federal government?

Mr. Chevrier: Mr. Speaker, I consider this question out of order for many reasons.

[*Text*]

HOUSE OF COMMONS

RETURN OF CLERK ASSISTANT AFTER ILLNESS

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): I believe that what I am about to say is not

strictly within the rules of order, but in this case I am sure the house will raise no objection. I am sure we are all pleased to see the efficient Clerk Assistant back in his place today after his illness.

Some hon. Members: Hear, hear.

Hon. J. W. Pickersgill (Secretary of State): I wonder if I might thank the hon. member for Parry Sound-Muskoka for drawing our attention to something which gives us an opportunity to recognize the immense debt we owe to the officers of the house and particularly to those who sit patiently and silently at the table throughout our deliberations.

Some hon. Members: Hear, hear.

CONSIDERATION OF PAY INCREASE FOR CLEANING STAFF

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I hate to intrude in these proceedings, but after all I have only risen 16 times. I wish to address a question to the very kindly Minister of Public Works. My question is based on certain conversations I have had with certain ladies very early in the morning. In view of the fact that the majority of the employees in this house coming under the jurisdiction of the Department of Public Works received a recent increase in their emolument, and the cleaning ladies have been overlooked, will the minister look into this matter to see if consideration is being given to the needs of these worthy women?

Hon. J. P. Deschatelets (Minister of Public Works): I am going to look into this matter and some time next week report to the hon. member.

TRANSPORT

VANCOUVER—REQUEST FOR FASTER UNLOADING OF GRAIN CARS

On the orders of the day:

Mr. C. S. Smallwood (Battle River-Camrose): I wish to direct a question to the Minister of Trade and Commerce. Since there is only a two bushel wheat quota in existence at many points in Alberta, and in the light of the fact that in Vancouver there are many grain cars lined up waiting to be unloaded, would the minister look into this situation and try to speed up the handling of grain at this port in order that these cars might be unloaded and released for further movement of grain from the country elevators in Alberta and western Saskatchewan?

Hon. Mitchell Sharp (Minister of Trade and Commerce): I have been in communication with the officials of the wheat board on a number of occasions with regard to expediting shipments, particularly of wheat, and the movement of grain both east and west. The chairman of the wheat board told me today by telephone that now the St. Lawrence seaway has frozen over for the winter it will be the objective of the board to achieve as high a degree of equalization as possible until the opening of the navigation season next spring. This will include points in Alberta and Saskatchewan.

Mr. Smallwood: I am afraid that does not answer the question I asked. My question was directed to these cars which are lined up in Vancouver waiting to be unloaded. This has nothing to do with equalization. The point is that these cars are not being moved out for reloading.

Mr. Sharp: I meant to include that in my answer. I have been discussing this with the wheat board. They are conscious of the problem and they are doing everything they can to get a quicker turnaround.

Mr. Eldon M. Woolliams (Bow River): In view of the fact that a question I asked two days ago is really supplementary to the one just put to the minister by my hon. friend, I wonder if I may address it now to the Minister of Trade and Commerce. I addressed it originally on Wednesday to the Minister of Agriculture, who I see has now left the house.

My question was this. Are the minister or his departmental officials considering approaching, or making plans to approach, farm co-operative organizations, wheat pools and line elevator company officials to improve elevator and other facilities so that Canada, with a surplus of grain, could meet the demand for western wheat? That question was in line with what the minister said in reference to not being able to complete the contract with China. We have the wheat, but we do not have the facilities to deliver it.

Mr. Sharp: I have already been in touch with the groups mentioned by the hon. member, and I have consulted the wheat board in an effort to speed up movement out of Vancouver. However, even though we have experienced some of these difficulties—difficulties which have persisted for years and years under the administration of my predecessor and of his predecessor, too, in charge of the wheat board—I can assure the hon. gentleman that we shall achieve our targets, which involve the movement of tremendous quantities. Indeed, the chairman of the wheat board feels we shall exceed even the 550 million bushel figure which was originally cited. So any of these difficulties are relatively minor in comparison with the enormous movement which

is going on now, movement which is the result of very close and energetic co-operation among the railways, the elevator companies and all parties concerned.

INDUSTRY

RAYMOND, ALTA.—REPORTED INTENTION TO CLOSE SUGAR REFINERY

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): I wish to direct a question to the Minister of Trade and Commerce. Did the minister receive a delegation from Raymond, Alberta, concerning a decision of the British Columbia Sugar Refining Company to close its plant in that city, and has his department taken any action in this matter?

Hon. Mitchell Sharp (Minister of Trade and Commerce): The answer to the first part of that question is yes. It is not a responsibility which rests on the federal government as such but in my capacity as Minister of Trade and Commerce I have been having conversations with some of those concerned with the production and refining of sugar in that area.

Mr. Prittie: Has the restrictive trade practices commission received a submission from the mayor and representatives of Raymond concerning the decision of the company to close its plant in that city?

Mr. Sharp: I am told so, but I would have to inquire and report to the house.

HEAVY WATER PLANT—SUGGESTED LOCATION AT ESTEVAN, SASK.

On the orders of the day:

Mr. R. R. Southam (Moose Mountain): I have a question to direct to the Minister of Industry. In view of the fact that his department is now reconsidering the letting of the contract for the production of heavy water and the location of the plant, would the minister once again take into consideration the representations made by the industrial development council of Estevan, Saskatchewan, to have the heavy water plant located there?

Hon. C. M. Drury (Minister of Industry): I can assure the hon. member that if any review is made, all these considerations will be taken into account.

ROYAL CANADIAN MOUNTED POLICE

REPORTED APPROACH TO STUDENT AT UNIVERSITY OF SASKATCHEWAN

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Last Friday, in the absence of the Minister of Justice, I directed a question to the Prime Minister with regard to charges that the R.C.M.P. were making security investigations at Regina college. The Prime Minister said he would make inquiries. I wonder if the Acting Prime Minister has any information to give the house.

Hon. Lionel Chevrier (Acting Prime Minister): Yes; the Prime Minister did speak to me about it, and I saw in *Hansard* the question which was put by the hon. member.

I inquired about the matter, and I find that the commissioner of the R.C.M.P., having made inquiries at my instance, has given me his denial that the R.C.M.P. approached any student as alleged. There was a chance meeting in the coffee shop among a student of the university, an officer of the R.C.M. police and an employee of the Regina *Leader-Post,* which was not instigated by the R.C.M. police and did not lead to any such proposal by them.

Mr. Orlikow: I wonder if the minister could make inquiries of the principal of Regina college, who made some comments about this matter, to see what information he might have?

Mr. Chevrier: The point which strikes me about this whole affair is that if there were four people present at the so-called interview there would not be much purpose in inquiring of the principal of the university, because this seems to me to confirm what the commissioner has said. In any event, I am sure the principal of the university would have made representations if something untoward had taken place.

LABOUR RELATIONS

MARITIME UNIONS—ANSWERS TO QUESTIONS RESPECTING TRUSTEES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Minister of Labour. Is the minister aware of press reports to the effect that the trustees of the maritime transportation unions have made certain suggestions to the shipping companies as to improvements they might make in their procedures for bargaining with the employees? If the trustees need any backing in this matter, is the government considering giving such backing?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, the question asked by my hon. friend gives me the opportunity to answer it and several others that have been raised in connection with the trusteeship. I am aware that the trustees have made it known that they intend to undertake consultations with the employers. Beyond that I have no information.

With respect to the desire that has been expressed to have an interim report from the trustees, I find that it is the wish of the trustees to be allowed to carry on for the present without making a report, with the assurance that they will make a report for presentation to parliament early in the new year, or as early in the new year as possible. Their view is that their work can be undertaken more successfully without the necessity of making an interim report at this stage, which I thought I might be able to have for the house last week.

The Leader of the Opposition asked about a questionnaire reported to have been distributed to the seamen. According to my information, no such questionnaire has been prepared or sent to the seamen.

With respect to the question asked by the hon. member for Danforth, no transcript is available of the press conference held recently by the trustees.

NATIONAL DEFENCE

REPORTED INTENTION TO CLOSE RADAR STATION AT ST. SYLVESTRE, QUE.

On the orders of the day:

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, in the absence of the Minister of National Defence, I wish to direct a question to the associate minister. Could he tell us whether a final decision has been reached with respect to the elimination of the radar station at St. Sylvestre, in Lotbiniere county? If so, can he inform the house of the steps that the government intends to take in relation with the lay-offs that will result from the elimination of that radar station?

Hon. Lucien Cardin (Associate Minister of National Defence): Mr. Speaker, this matter is still under study and no decision has been arrived at yet.

[*Text*]

WORLD FAIR

INQUIRY AS TO RECEIPT OF COMPLETE PLAN OF PROJECT

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Minister of Public Works in his capacity as the minister responsible for the world fair. On December 6 the minister informed the house that he expected a report from the corporation about its plans and projects for the fair. Could he tell the house whether he has received that report yet?

Hon. J. P. Deschatelets (Minister of Public Works): No, Mr. Speaker, but the over-all plan will be given to me some time before December 20 and surely before the holidays.

Mr. Howard: Will the report as to plans and projects be made public or tabled in the house?

Mr. Deschatelets: Mr. Speaker, a bill is now before the house—

Mr. Knowles: A resolution.

Mr. Deschatelets: A resolution. If my hon. friend would wait until we take up the study of that resolution I will answer all questions pertaining to the world fair.

Mr. Howard: What happens if the minister does not have the report by then?

GRAIN

INQUIRY AS TO FINAL PAYMENT ON 1962-63 CROP

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. In his recent conversations with the Canadian wheat board officials did he ascertain whether an interim or final payment would be made soon on last year's wheat pool and, if so, when?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Yes, Mr. Speaker, I have had some informal discussions with the chairman of the Canadian wheat board about this matter, and I think it will be his recommendation that the accounts should be closed out some time in January or perhaps in the first part of February. As the hon. gentleman knows, sales have been going very well. I might add in relation to the previous answer I have given—I overlooked it—that notwithstanding all the troubles we had on the St. Lawrence seaway arising out of labour disputes and strikes, we have in fact fulfilled every obligation that we undertook.

PRIVILEGE

MR. HAMILTON—REFERENCE TO REMARKS IN DEBATE BY MEMBER FOR MEDICINE HAT

On the orders of the day:

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, I rise on a question of privilege that affects me as a member and also as a member of the Queen's privy council. On page 5767 of *Hansard* for yesterday I find this sentence attributed to the hon. member for Medicine Hat:

> Never before in our history has any member spent so much out of public funds in order to advertise a political party.

I must say, Mr. Speaker, that this is an imputation against my personal honour and against my activities as minister of agriculture. I have to ask not only for a complete withdrawal but, I would suggest, a very strong apology as well.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, if anything I said yesterday can be construed by the hon. member for Qu'Appelle as being offensive to him personally, I withdraw that. However, the statement he has quoted is my opinion, and I have a right to express my opinion in this house.

Hon. Gordon Churchill (Winnipeg South Centre): A very serious question of privilege has been raised by the hon. member for Qu'Appelle. The words spoken by the hon. member for Medicine Hat in this house constitute a reflection on a member of this house. Let us look again at the sentence, sir:

> Never before in our history has any member spent so much out of public funds in order to advertise a political party.

This is a most unusual statement to be made by any hon. member. The only recourse, sir, is a complete withdrawal.

Mr. Olson: It just happens that I believe the remark is true. If it happens to be offensive to a particular member of this house, we could surely change the word "member" to "former minister" or something of that sort. However, I do not feel under any obligation to withdraw something I said which I still believe is true.

Mr. MacEwan: Prove it.

Mr. Hamilton: I suggest that if the hon. member insists that he believes this statement, he has no choice but to move a substantive motion.

Some hon. Members: Hear, hear.

Mr. Erik Nielsen (Yukon): In so far as the question of privilege is concerned, when the remark was made yesterday by the hon. member for Medicine Hat I was quite astounded, because what he is saying is that the former minister of agriculture has misapplied public funds. In essence he is making a charge of fraud by misuse of public funds. Citation 108, paragraph 3 of Beauchesne's fourth edition, says in effect that libels on members have also been constantly punished and scandalous charges or imputations directed against members are equivalent to libelous charges.

Now, Mr. Speaker, I think the hon. member for Qu'Appelle has raised a substantial question of privilege, and not only should there be a complete withdrawal but a very strong apology as suggested. Certainly, in the brief time I have been in this house any honourable member would withdraw such charges without any question at all.

Mr. Olson: Of course the hon. member who has just spoken has made an imputation that I am not honourable, so I could raise another question of privilege right now.

Mr. MacEwan: That is a question.

Mr. Olson: If the hon. member for Qu'Appelle takes definite objection to the word "member", I could withdraw that. The implication I intended, and which I think was clear to all hon. members in the house when the statement was made, was that he, along with his government, had spent a great deal of public funds to advertise the advantages the farmers of Canada would receive from the Conservative party, and I still believe it.

Mr. Speaker: Unless some other hon. member has some really soothing remarks to offer at this time, it happens very often that in the course of debate members get overheated, get carried away with remarks, with the emotion of the situation, and with the argument they are trying to present. This morning the hon. member for Medicine Hat has certainly cut off any individual reference to the hon. member for Qu'Appelle.

Some hon. Members: No.

Mr. Speaker: At least that is the import of what I have understood.

Mr. Churchill: He has made it worse.

Mr. Speaker: But on the other hand it seems to me that the question having been raised, having been aired, it would be a very gracious act if the hon. member for Medicine Hat would care to rise and just soften the effect of some of the words he used this morning.

Mr. Olson: Mr. Speaker, I would be very happy to withdraw anything that the hon. member can construe as having been an allegation directly against him personally.

Mr. Hamilton: I am sorry, Mr. Speaker, but this goes beyond any allegations against me personally. He has intimated that I have misused public funds.

Some hon. Members: Oh, no.

Mr. Greene: That is your conscience talking.

An hon. Member: Withdraw that remark.

Mr. Hamilton: I have no choice, Mr. Speaker, but to ask the hon. member for Medicine Hat not only to withdraw what he said about me in a personal way but to say without any equivocation that he removes

from me any imputation about the way I handled public funds in connection with my department.

Mr. Olson: Mr. Speaker, if I had made such a statement I would withdraw it, but I did not.

Mr. Speaker: May I point out that Beauchesne, citation 108 (3), says:

> Libels on members have also been constantly punished: but to constitute a breach of privilege they must concern the character or conduct of members in that capacity, and the libel must be based on matters arising in the actual transaction of the business of the house.

I would hope that the hon. member for Qu'Appelle would feel that the matter has been straightened out. If not, now is the time to say so.

Mr. Hamilton: I have no choice but to say I am not satisfied on the second point, namely that I misused public funds of this country for the good of the Conservative party. The hon. member for Medicine Hat repeated that statement again this morning—

Mr. Chevrier: He did not.

Mr. Hamilton: —and I have to ask that it be completely withdrawn, and I would hope he would be gentleman enough to apologize for it.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I think this matter refers to something that happened in the house quite some time ago concerning the ARDA program, and before any decision is taken by Your Honour I think there would have to be some reference to the debates that took place some time ago. I think there was nothing personal in the remark that was made, but Your Honour will remember there were charges some years ago when the ARDA program was put forth, for example, that something was published and circulated in rural communities concerning the ARDA program before it had been passed by parliament. At that time charges were discussed in the house which in my opinion would warrant some of the implications in the remarks of the hon. member for Medicine Hat.

It also seems to me that we become very touchy in relation to party responsibilities in relation to points of privilege, and if the hon. member for Medicine Hat withdraws the personal implication, I think the party implication that was made at that time warranted the statement the hon. member made in the house yesterday.

Mr. Nielsen: Mr. Speaker, I have just one brief word on citation 108 (3) which Your Honour has read. There obviously is a direct imputation by the hon. member for Medicine Hat as to the misuse of government funds, and what the hon. member for Timiskaming has just said refers to the publication of an ARDA pamphlet. There is no difference between that kind of pamphlet and the pamphlet covering the $500 house bonus issued under the Minister of Labour. The imputation has not been made in that regard, and should not be made in this regard by the hon. member for Medicine Hat; but citation 108 (3) says that a libel on an hon. member to constitute a breach of privilege "must concern the character or conduct of members in that capacity, and the libel must be based on the matters arising in the actual transaction of the business of the house."

The business of the house in this instance concerned the estimates of the Department of Agriculture, on which the hon. member was speaking, and there is no doubt it affects the conduct and personal character of the hon. member for Qu'Appelle. I do not know why the hon. member for Medicine Hat cannot be gentleman enough to get up and withdraw the charges he made.

Mr. Bert Leboe (Cariboo): Mr. Speaker, the last speaker has suggested that the hon. member for Medicine Hat had said that there was a misuse of public funds. I would like him to read that from what was reported in *Hansard*. I have not read that, and I would like him to read it where it says that. The hon. member is imputing something to the hon. member for Medicine Hat that is not in the record.

Mr. Speaker: I still have the question to decide, and I would like to hear from the hon. member for Qu'Appelle whether he is satisfied with the explanations given and with the statement of the hon. member for Medicine Hat. These things concern the privileges of all hon. members of the house and are indeed very serious in principle. In the present instance they may not be that serious, but generally speaking, in principle libels against members, and purported libels, are serious and must be attended to.

Mr. Hamilton: Mr. Speaker, it is because the subject is so serious that I cannot add anything more to what I have said. I would hope you would take this subject under advisement and come to a conclusion based on what has been said here today. I think the sentence I quoted out of *Hansard* is my complete case, both on my personal side and on my position as minister. I would ask, in view of the reluctance of the hon. member for Medicine Hat to withdraw the two charges, and in view of the charge made by the hon. member for Timiskaming who spoke in this debate today, that you consider the

evidence you have before you and decide your future course at your leisure.

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I think that is an excellent suggestion, that the matter be taken under advisement and that no more time of the house be taken at present. Because it is a very serious matter, I hope, when Your Honour does so, Your Honour will also examine some speeches made in the house by the senior hon. member for Queens, Prince Edward Island, also imputing motives to another privy councillor.

Mr. Speaker: Acting on very sound advice, I will take the matter under advisement.

Mr. Churchill: Mr. Speaker, before we proceed with the orders of the day I have a question for the Secretary of State. I want to ask the Secretary of State what imputation he was placing on the hon. member for Queens, in his absence, when he suggested to Your Honour that you examine some statement the hon. member for Queens had made. Let the Secretary of State identify his complaint with regard to the hon. member so that we may have the facts in front of us.

Mr. Pickersgill: Mr. Speaker, the hon. member for Queens is a very experienced member of the house and I am sure he will be able to protect himself. If he puts that question to me I will be very glad to answer it.

PUBLIC SERVICE

AMENDMENTS RESPECTING SALARIES OF CERTAIN PUBLIC OFFICIALS

Hon. Lionel Chevrier (for the Prime Minister) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Canada Grain Act, the Financial Administration Act, the Income Tax Act, the International Boundary Waters Treaty Act, the National Energy Board Act, the Railway Act, the Salaries Act and the Tariff Board Act with respect to the salaries of certain public officials.

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

The Chairman: Order. House in committee of the whole on a certain resolution. Shall the resolution carry?

Some hon. Members: Carried.

Resolution reported and concurred in.

Mr. Chevrier (for Mr. Pearson) thereupon moved for leave to introduce Bill No. C-128, to amend the Canada Grain Act, the Financial Administration Act, the Income Tax Act, the International Boundary Waters Treaty Act, the National Energy Board Act, the Railway Act, the Salaries Act, and the Tariff Board Act with respect to the salaries of certain public officials.

Motion agreed to and bill read the first time.

SUPPLY

House in committee of supply, Mr. Lamoureux in the chair.

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

40. Grant in aid of the development of the international peace garden in Manitoba, $15,000.

The Chairman: House again in committee of supply, vote No. 40 of the estimates of the Department of Northern Affairs and National Resources.

Mr. Fisher: Mr. Chairman, I want to spend a little time on this question of the national museum and the situation which exists there and has existed for some time. I think it is interesting to note that there has been trouble and dissension in this organization since 1956; at least it began to appear in 1956. I think it is also of interest that there have now been three different administrations involved, the St. Laurent, the Diefenbaker and the Pearson administrations. Therefore I do not think one can say that this is really a one party issue. I tend to feel it is not necessarily a weakness in the ministerial approach, because we have had a succession of ministers of northern affairs and national resources and the situation has kept on developing. In other words I think there is something inherent in the administration of the museum and the personalities within the permanent administration which is the cause of quite a few of the difficulties.

This tale of the national museum is one of the most complicated I know. It is not a very large organization as government organizations go, yet it has been filled with more malice and sensation than any other part of this department.

The Chairman: Order. I am sorry to interrupt the hon. member, but I would draw his attention to the fact that we are now on vote No. 40, which deals with the national parks branch of the department.

Mr. Fisher: I was aware, Mr. Chairman, that the preliminary votes had passed, but since you did not call them I thought I would take advantage of your omission and go ahead with my remarks. My remarks are entirely in connection with the national museum and I should like to get them over if I can, not so much to get an answer from the minister—because I am sure he will give one—but because I have to be in another place. I wonder

whether I could have unanimous consent from the committee to complete my remarks on the national museum at this time.

The Chairman: It that agreed?

Some hon. Members: Agreed.

Item stands.

National Museum of Canada—

120. Administration, operation and maintenance, $1,229,500.

Mr. Fisher: Thank you very much; I appreciate that.

Mr. Dupuis: Give us the same break sometimes.

Mr. Fisher: I have been asked by the parliamentary secretary whether I would give them the same break some time. I am sure the parliamentary secretary knows what a co-operative group of people we are. We have just had recent evidence of that during the question period.

This museum trouble has broken out into the open again with some opinions expressed by the former director, Dr. Loris Russell. The minister in a sense tried, I will not say to slur over the issues raised by Dr. Russell, but he did not really come to grips with the problem. I have a mass of material I could go into, everything from archaeologists' bibliographies to the whole question of the kind of administrative controls which have existed in the museum, but I should like to try to approach the subject from some distance.

It seems to me—this is an honest opinion which I should like to put before the minister—that in all the information I have been able to gather, the one weak point in the whole business in a personal way relates to the now deputy minister of the Department of Northern Affairs and National Resources, Mr. Côté. In fairness I would like to explain why I think this is so. Ever since Dr. Rousseau was approached to come to the national museum, ever since it was decided that in order to bring Dr. Rousseau in, even though he was a botanist, and put him into the human history branch, thus effectively putting someone who should, from his background at least, have been on the natural history side, we have had two natural history types, Dr. Russell and Dr. Rousseau, heading two departments. Ever since that time the difficulties have developed. Mr. Côté was deeply involved in bringing Dr. Rousseau into the museum, and he was also deeply involved in all the recriminations which followed. As I understand it, I think the minister will acknowledge that although the previous deputy minister, Mr. Robertson, was not exactly at arms length with the museum, the main channel through which the museum was administered by the department was Mr. Côté as acting deputy minister.

I suggest that a great many of the problems we have had with the museum must arise from some kind of inadequacy in the objectives and the kind of approach he has had to the museum. I am not sure that this situation has been cleaned up at all. Dr. Rousseau was, in a sense, given the gate. Dr. Russell has resigned, I take it from his account in the paper, to consider his situation because of the fact that he was not made over-all head. We have had a historian brought in from the University of Manitoba, for what good reason I am unable to fathom. Without being uncomplimentary to this gentleman's academic record, about which I have made some inquiries, there is nothing, it seems to me, in Dr. Glover's documents which would indicate he is the man we should have been looking for to fill this particular post. He has not, within an academic framework, had a career of the kind which would lead him to be the head of a department of even a relatively small university. The field in which he specializes has no more relevance to the museum and its purpose than a host of other studies.

Once again there seems to be a reaching out to get someone to come in without any real explanation of how his training and background would permit him to give the kind of leadership which this part of the museum will need. The move might be interpreted as being in response to the criticisms of the Canadian historical association; at least it is suggested by Dr. Russell that there were such criticisms. Dr. Russell seems to feel that it was criticism by the historians which prevented him from moving up into the top position.

I do not know what views the minister has, or may have, as to the role a museum should play; whether it should have a split capacity and deal with human history on the one hand and natural history on the other. I do not know whether he thinks the emphasis should be on research or on display. But I know there has to be a clear policy in this regard, a policy spelled out over a number of years in terms of dollars and cents in the estimates in order to achieve the desired objective, because there is bound to be competition.

We have the example of a similar situation in the federal civil service where the national library and the public archives are under one director. I have heard criticism of this arrangement because of the fact that the aims of the archives and the aims of the library are not on all fours; there are

differences in emphasis. It seems to me that if we cannot create a separate crown agency, a body with a genuine feeling for the subject matter itself, we should consider separating these two branches completely, that is the human history and the natural history branches. We might, on the one hand, have a natural history or a natural science museum, and on the other hand have the kind of museum which emphasizes human history and which is related to anthropology, archaeology, sociology and subjects such as those.

The pettiness involved in the situation we are considering is enormous. It so happens that one of the key figures involved in this museum question is a friendly acquaintance of mine. He has left the museum now. He is an archaeologist. I know from my contacts with him that the world of the archaeologist and the anthropologist is filled with controversy. There are different schools of thought. There are personality clashes entering into the field of scholarship. Their world is not a wide one, and in Canada we do not have a great number of people working in either of these two fields. We tend to bring into this country the controversies which split the academic world in the United States in these two fields of study.

This being the case, it does not seem to me there is any possibility of breaking out of the present rut unless we get an outstanding man, a world figure, to fill this particular post. It is apparent there will always be restiveness in the fields of anthropology and archaeology, particularly if work in the area of research has to be under the direction of a straight historian. I think only the most broadminded historian, someone with the highest of status in terms of international reputation, would be acceptable to the people working in anthropology and archaeology in this field.

I suggest to the minister that Dr. Glover, with all due respect to his accomplishments, hardly fills this role. He does not straddle the field of history in Canada or in North America with any genius. But, I should like to suggest, it is someone with a personality and reputation of this kind who is necessary if we are to bridge these other conflicts and establish a successful human history museum.

Another thing which disturbs me about the national museum is this. Dr. Russell suggests that politicians have been too much involved in this whole matter. I am trying to figure out who he means by "politicians". Is it Mr. Lesage, who in co-operation with Mr. Cote went to such lengths to get Dr. Rousseau into the museum? Is it the former minister of northern affairs, the hon. member for Qu'Appelle, who played politics with the museum? We do not know. Is it the present minister who is playing politics with the museum? Is there a suggestion that the appointment of Dr. Glover is a political appointment? We do not know. These are questions which the minister does not necessarily have to answer in terms of the past, but I think he should project a future in which no political interference will be brought to bear in connection with the museum's affairs.

There have been a number of appointments to the staff of the museum which intrigue me, particularly in the field of archaeology. I do not intend to discuss them at length because I have put a number of questions on the order paper in connection with them.

The Chairman: May I call the attention of the hon. member to the fact that it is one o'clock.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

The Deputy Chairman: Order. When the committee rose at one o'clock we were considering vote No. 40. The hon. member for Port Arthur.

Mr. Fisher: Mr. Chairman, I have been checking what I said before the lunch break, and I think it could be construed that I was unfair to Dr. Glover who was appointed to look after the human history aspect of the museum. I wanted to make it quite clear that when I said I had checked into his career I was informed by certain people that in historical circles he has not been one of the giants of the history profession in Canada, but he certainly has done good work and has at least several outstanding publications to his credit.

One other conclusion I came to was that I should have put on the record part of what Dr. Loris Russell said in his interview the other day in Toronto in order to put the thing in focus. I think it would look pretty scrambled on the basis alone of my preceding remarks. I am taking these quotations from the Ottawa *Citizen* of two days ago, December 11. This is Dr. Russell's story:

> From 1930-37 I was at the national museum and I left to go to Toronto as a University of Toronto professor and a member of the Royal Ontario museum staff. In 1950 I was approached by the then chief curator of the national museum, Dr. F. J. Alcock. He said he was going to retire and wanted me to succeed him.
>
> I came to Ottawa and while working at the national museum I learned in 1954 that there was a movement under way to make Dr. Jacques Rousseau the director. In fact, Dr. Rousseau had

been promised the job by people who forgot it was a civil service position and would be awarded by competition.

I should like to interject here that I understand from information I have received from several sources that the deputy minister, Mr. Côté, was involved in this whole arrangement to bring Dr. Rousseau here. I do not know what were the main reasons for it. I do not know whether it was an attempt to strengthen French Canadian representation at one higher level in the civil service, but he was involved in it. As a matter of fact I understand he even helped Dr. Rousseau prepare his application to the civil service commission.

In 1956 the position came up for competition, and I won it.

I understand from information I have that Dr. Russell won it on the basis of the fact that he had the advantage of overseas service. All other things being equal, this gave him an advantage. Dr. Russell goes on to say:

There was a big hassle and the events that followed were slightly incredible. They were stuck with somebody they didn't want.

To get out of this mess they decided to split the national museum into two separate sections —the Canadian museum of human history with Dr. Rousseau as director and the Canadian museum of natural history with myself as director. They used the Massey commission report—

When he says "they" I presume he is talking about the senior administrators and the politicians of the day, which in this sense would be Jean Lesage who was minister of the department and, I would also assume, the deputy and assistant deputy ministers of the department.

They used the Massey commission report of 1951 to justify this act. The division would never have been made if I hadn't won the competition. It was an excuse to get themselves out of a mess. I found this out years later and I can't be contradicted—I know this to be a fact.

I also know it to be a fact. This is an example of what happens when you try to do something in order to achieve purposes that do not quite fit into the administrative structure. Dr. Russell goes on:

I protested this on grounds that you need a strong museum, not a lot of small uninfluential segments. I said this division was bad in 1956 and in 1957 the government could not get this bill creating two museums through the House of Commons. It was a piece of parliamentary clumsiness. They muffed it.

Again, I understand that by "they muffed it" he really means the minister and the senior officials.

So they created two branches of the national museum with both of them holding equal powers. We got along well for two years with no quarrels, no friction, although some people on the staff were working for us both.

[Mr. Fisher.]

I want to interject here that they created these two branches and put a man in charge of the human history branch who was not really experienced in that field. I think this is important to show how far the government and the administration of that time were prepared to wrench things to achieve, I suppose, although I am not exactly sure, a better French Canadian representation in the senior levels of government.

There is some poetic irony here because the people in most bitter and violent disagreement with Dr. Rousseau were the same people who used their power and influence for him in 1956.

I take it he means Mr. Côté, who helped to push Dr. Rousseau into this position and then was the main instrument in getting him out when things turned a few years later.

Dr. Rousseau was forced out and it was a bitter blow to him. As far as I know we parted friends and I hold no grudge.

The human history branch was in a dreadful state and deputy minister Gordon Robertson asked me to take over as a single director of a single museum. I agreed to act as director of natural history and acting director of human history.

But I was instructed to function as a single director—at no increase in pay—and I said I would not be bound to serve under a dual directorship again.

In the next few years I made it my main business to rebuild the human history branch. I added new staff, leaned over to assure the staff that I was not less interested in their work than the natural history branch. Finally we had a very nice organization flourishing with first class men on the staff.

But in 1960 I began to worry. The centennial year was coming and nothing was being done. There was a lot of talk but no concrete proposals.

I made it my centennial project to collect Canadiana on my own authority. We needed historical exhibits—ours were all anthropological. Everyone told me I was ten years late—now they say there wouldn't be anything if I hadn't started on my own authority.

To add to our problems the present national museum building was condemned in 1961 and public works said it would have to come down. We began to plan for a national museum with a great store of Canadian historical exhibits. The cabinet approved a series of yearly grants of $50,000 for this search for articles.

Now, in Ottawa, we have the greatest collection of Canadiana anywhere. It represents the history of the people—tells how they lived. I wasn't looking for bargains. I wanted to get the material before it had all gone into the United States.

It was all there—almost completely telling the story of Canadian life from the seventeenth to early twentieth century.

It was beginning to create a lot of excitement amongst historians. I had tried to get a historian on the staff—but I wanted one who would appreciate my point of view.

This is where I ran into trouble. The historians began to complain. They weren't interested in museums but they wanted a professional historian to run the historical section of the new museum.

Many of them were critical. I wanted to show people how Canadians lived.

I think it is interesting that Dr. Russell wanted to do this because this was not his

field primarily. His training was on the natural history side of things. I continue to quote from the article:

> The historians wanted to show people relics from famous battles—they wanted to tell the military and political history all over again. I say this is best done in books.
>
> Under their fire I became a little tactless and wrote a critical article saying historians were not interested in the museum. I said a historian must work with a qualified museum expert to create a great historical museum.
>
> Apparently you do not talk to historians like this. It caused a great ruckus and one member of the Canadian historical association—

I have heard that this was Dr. Hilda Neatby.

> —wrote the Prime Minister saying Russell must go. One letter was so abusive they wouldn't show it to me. I'd like to challenge that person to come out and say to my face what he said behind my back.
>
> Great pressure was put on to get me out. An advisory committee to the minister was appointed and it appointed a subcommittee to advise it. These committees decided the new museum's historical section would be strictly military and political with only a passing reference to social history. I had lost that one.
>
> In December of 1962 it was decided to appoint a new director of human history with equal power to mine—back to the old scheme which failed before. I hoped they would eventually appoint a director general and I decided to wait for a year.
>
> Two qualified museum experts were among those who entered the competition for the job. When the smoke cleared—

I want to emphasize this phrasing.

> When the smoke cleared Professor Richard Glover of the University of Manitoba won the job. He is a qualified historian but he has absolutely no museum experience and this was in the terms of reference for the job.

I should like the minister to explain to us something about that competition. I understand that a gentleman from Nova Scotia and another gentleman who was in the historical names section were also involved in the competition. I think in the light of the charges that have been made it would be a good idea if the minister indicated where these two people fell short and where Dr. Glover came through in this particular competition. I think it is especially fair that this should be done in the light of the things which happened between Dr. Russell and Dr. Rousseau and what that competition led to. I continue to quote:

> This changed the situation. I met the new deputy minister Ernest Côté at the earliest opportunity. He has great enthusiasm and is a capable administrator but he is neither a scientist nor a museum man. His answers to me were frank but they were all wrong as far as I was concerned. I decided to resign.

I want that point to be remembered in connection with my suggestion that the root of much of the difficulty in the museum is the role played by Mr. Côté as administrator. He is a capable administrator and he has great enthusiasm, as Dr. Russell says, but he is neither a scientist nor a museum man. I would judge from some of the things in which he has been involved that he has no clear idea where the museum should be going. I should like to continue reading:

> I resigned because the situation had become impossible. You cannot have a museum of political and military history without arousing controversy. You have to pay homage to French Canada when you mention Canadian history and some segments do not concern French Canada.
>
> Whether they like it or not they will have to use the material I have collected. And I personally do not think the new building will be ready in 1967.
>
> The national museum must have unified direction and the director must have the status of the deputy minister and have access to the minister direct.

I should like to ask the minister whether these suggestions by Dr. Russell, which have already been put forward by other people, are not worth considering. If I understand correctly, Dr. Lamb who is head of the public archives and the national library, has the status of a deputy minister. It certainly seems to give him executive power, and this would be a means of having the control that has been missing in most cases. I continue to quote:

> He must be a man with a blending of scholarly status and museum experience and he must have the confidence of the entire staff. The national museum should be a senior museum in Canada and people must be able to look up to it. They cannot look up to it now.
>
> Political sniping at individual museum staff members must stop. Certain M.P.s have been doing this since the Rousseau incident. The best help the M.P.s can give the museum is to leave it alone. If individuals are not protected from outside political attack it will kill the museum as sure as an axe in the head of an ox.

I quite agree with him in connection with that last point. I probably have been one of those he is thinking about in terms of placing questions in order to find out what has been going on there. This is the reason I should like to close with the emphasis that we should, as much as possible, leave the past history of the museum alone.

However, I consider we cannot do that unless we get some fairly clear indication from the minister as to what he is going to do, for example, about putting the museum under a single head, or else making a completely clearcut situation as between the natural history section and the human history section. I think we need to know what the minister's feelings are, particularly in the field of archaeology and anthropology, about the difference that is envisaged in the research function and development of archaeology; whether there will be a research program right across the country which is

led by the national museum's branch, or whether there is going to be a double function. Again, I do not believe he has given us as yet any clear answers.

I would hope that after the minister gives his policy, and the direction the museum is going, the political sniping will stop. We have a wonderful example here, over the years since 1956, of what a mess a place can get into when politicians and senior administrators at the top try to bend an institution in order to achieve objectives that have very little to do with the objectives of the institution itself. That is the way I read the Rousseau case and all the consequences that flowed from it.

I suggest that the minister has not had a great deal of time to determine what should be done with the museum and the kind of direction he is going to give it, but I would also suggest he has not got much time to make the decisions, because this is one of the responsibilities that rest upon him. For that reason I would ask him to be as clear and unequivocal as he can in response to these points and, further, if he cannot be definitive, that he undertake to do so within a certain period of time.

I have one final point. It seems to me Dr. Russell indicates he has no wish to come back but I still say, in view of the commendations I have heard with regard to his administration, that he should be kept in mind as someone who can still make a great contribution, and I would not assume that his role in the Royal Ontario museum is necessarily a die cast forever.

The Deputy Chairman: Order. I understand that the hon. member for Port Arthur was discussing this item dealing with the national museum of Canada by permission of the committee. Is it the wish of the committee to continue with item 40, or stay with item 120?

Mr. Herridge: I want to say a few words about the national museum.

Mr. Woolliams: I would go along with that, because my own remarks will be in reference to national parks.

The Deputy Chairman: Is it agreed that we conclude the debate on vote No. 120, dealing with the national museum of Canada?

Some hon. Members: Agreed.

Mr. Harkness: Mr. Chairman, I have known something about the museum and its operations for some time, particularly going back to the session of 1956-57, at which time I received information from a newspaperman, now deceased, as to the peculiar manoeuvering and finangling that was going on in so far as the museum was concerned. As a result, when the bill was brought in to split the museum in two I opposed it, and we were able to block the passage of the bill because the election of 1957 was then about to be held. However, in spite of that fact they went ahead and split the museum into two parts without having any legislative authority to do so, and I think the troubles of the museum sprang from that action.

I do not propose to go back over the history of the matter and rake up a lot of old straw. However, I do think there is no question but that the difficulties in the museum, which have continued from that time, sprang from the attempt to divide it into two parts, and all the difficulties and jealousies came into being at that time. I do not think there is any point in attempting to attack officials, either past or present, over what took place.

We would like to see the museum put on a good, sound basis so there will be no continuation of the troubles in future. In order to accomplish that I think it is essential to restore the museum as one united organization with one head, a director general; and we must get the right man for that job, a man who knows museum work and who has the personality and ability to handle the job. We should then give him the authority to go ahead and organize the museum in an effective manner. There will be trouble in the museum until action along that line is taken. I do not want to take up any more time of the committee in discussion, but I hope that course of action will be followed.

Mr. Herridge: Mr. Chairman, I want to take advantage of this item to say a few words, because I have been interested in this subject and problem for a number of years. Anyone who has any knowledge of the affairs of the museum knows there has been a very unsatisfactory state of affairs in it for a good number of years, under the former Liberal government and under the previous government, and unfortunately this state of affairs continues.

My interest has been prompted as the result of conversations with a good number of people in Ottawa who are interested in the museum, and as a result of conversations with other people interested in it. I discussed this matter with the staffs of other museums in Canada, and have some correspondence on it. It is obvious that the state of affairs that exists in the museum is a subject for discussion in museums across Canada by people who are interested in this question, and it is also a subject for discussion by people in other countries.

In that connection I want to read a letter which I received from the director of the Instituto Interamericano dated November 13, 1963. It reads:

Dear Mr. Herridge:

We have been interested in the affairs of the national museum of Canada for some time since our organization is dedicated to the study of man and his activities, past and present, and the dissemination of knowledge thereof. We have kept in touch with the museum's stormy affairs through the Canadian press. I enclose a copy of our current newsletter that you may see how things look to us at the moment.

He then draws my attention to page 5, which is a critical analysis of the circumstances that exist in the museum.

While our area of interest is world wide, we are perhaps best informed on the U.S. and Latin America. For this reason we are curious about certain points and facts which seen uniquely Canadian.

First of all, why is it that the museum is administered by the northern affairs committee?

That question is asked by people in Canada too.

It would seem more logical for it to be administered by the secretary of public education as in Latin America or by an autonomous board of directors subject directly to the prime minister or the parliament. I admit my unfamiliarity with Canada's internal affairs.

We have received a considerable amount of printed material regarding the location of the site of the battle of the Long Sault where Dollard des Ormeaux gained fame. Our material may have been somewhat biased but it appears to us that the evidence is overwhelmingly on the side of the site excavated by Thomas E. Lee. Yet we understand that officially the site is located elsewhere. Is this a political matter as one of our sources said?

That too has been asked by a number of persons in Canada.

A third point involves the museum staff. It is rather odd that twice within four years there should be wholesale resignations either voluntary or forcibly. Is this due to internal stresses or is it also a matter of politics as also has been suggested by published articles?

I suppose that all of this is really none of our affair but we are intensely interested and greatly involved in anthropology in the Americas and this museum matter affects Canadian anthropology gravely. Moreover, we have always had a very warm feeling for Canada and her people.

Sincerely yours,
Carl B. Compton, director.

There have also been articles in the French Canadian press dealing with certain aspects of the museum's operations and organization, and numerous articles in professional publications that would be read by people interested in museums. There has been a lot of questioning as to the type of organization that exists and as to the most unfortunate circumstances that exist between various members of the staff. I have heard the most amazing stories about people who are well paid by the government of Canada, arriving at the museum at eleven o'clock and doing an hour's work. I do not know whether they are true or not, but I had dozens of letters written to me in Ottawa, and something has been brought to my attention recently that shakes my belief in the validity of information given to this house by the officials.

I have definite proof that one publication filed by Mr. Taylor as a professional publication, a publication to which a man could lay claim because it was part of his professional publications, was nothing more than a commercial pamphlet distributed in this country and in Great Britain for the purpose of selling tents and camping equipment. This well paid official had one paragraph in this commercial pamphlet, which we were informed in this house, in reply to questions asked by the hon. member for Port Arthur was a publication.

This gives rise to lack of confidence, Mr. Chairman. In fairness to those who are doing their duty, those who are unfairly criticized, and so on, I am of the opinion that this situation requires a thorough investigation. It would be too much to expect the minister to rise in his place and give the answers to all these problems immediately. He must have time to thoroughly investigate the situation. I suggest there should be an investigation into the organization of the museum, after the minister has taken the advice of the best persons available, as to the functions of the staff, the duties they perform, their hours of work, publications, and things of that sort; in fact, all things related to the organization and operation of the museum. I think the minister must have time to organize his inquiry, as it were.

I suggest, in conclusion, that it might be a good idea to have the estimates of the museum referred next session—there is not time this session—to the committee on mines, forests and waters, where the officials could be examined and the committee would have the opportunity to call qualified persons from other museums. Then we would be in a position to treat the matter properly, to be fair to the staff concerned and sift out, shall I say, the weaknesses. This committee could then do something as the result of advice from qualified persons. They could make some recommendations to clear up this situation once and for all, so that in the future Canadians can be proud of their national museum, its operations and the way it is carried on.

Mr. Dinsdale: Mr. Chairman, I have been listening with interest to the discussion on this item, vote No. 120, and it seems to me most of the discussion thus far has been concerned with a period in the museum's development that goes back to the years 1956-57

when, as hon. members have indicated, there was a series of difficulties which finally had to be aired in the House of Commons. Some mention has been made of the fact that there has been continuing interference by the politicians with the activities of the museum. I believe this came from the statement reported in the press the other day which purported to come from the former director, Dr. Loris Russell.

I should like to introduce another note into this discussion. This has nothing to do with interference by politicians as being germane to the difficulties of the museum. That is another difficulty. I refer to the problems of housing the national museum. Over the past few years there has been a chronic shortage of space and at least attempts to formulate plans that would overcome this difficulty. Hon. members will recall that following the evacuation of the old Victoria building by the national gallery and the Canadian geological survey it was felt that at long last the old building would be adequate to meet the reasonable needs of an expanding museum. Unfortunately that decision had no sooner been reached than it was discovered that the Victoria building was unstable and not suitable for the purposes that fall to the development of a national museum.

I happened to be the responsible minister when this further crisis arose. At that time the departmental officials immediately tackled the problem of finding suitable and adequate housing accommodation. At the time of the change of government I think hon. members will recall there was legislation before the house to provide for a completely new plant facility to be built in time to coincide with the observance of Canada's one hundredth birthday in 1967. It seems to me this is one of the essential problems to be overcome in creating in Canada a museum that is worthy of a nation like Canada. Therefore I suggest, Mr. Chairman, that the sooner we in this house get on with the legislation that was proposed last year to provide for adequate facilities, the sooner we can come to grips with some of the other problems of the Canadian national museum.

During the three years I was responsible for the national museum I believe I enjoyed reasonably warm and cordial relationships with the dedicated personnel there, particularly the director and assistant director. Once the decision had been reached to establish adequate facilities it seemed that many of the major difficulties had been overcome. It was disturbing to me to find that once again difficulties—and this was information I gleaned from the press—had occurred amongst the very competent personnel engaged in museum work. What is at the basis of those difficulties I cannot say, but I repeat that we must move with all haste toward the passing of legislation that will make it possible for the parliament of Canada to provide adequate facilities to house Canada's national museum.

There have been expansions in recent years on what might be called an ad hoc basis. The national aviation museum was officially opened in 1960. I am sure anyone who has had the opportunity of visiting that museum, which is housed at the present time in the terminal building at Uplands airport, will come to the conclusion that here is a display of Canadian aviation history which is worthy of our nation. I am sure that once we have provided through legislation for the type of accommodation that is necessary, there will be a further unification of the various aspects of museology. The aviation museum, for example, will be brought under the same roof as the museum of natural history and human history. The accommodation that was contemplated at the time of the change in government had this in view. The aviation museum would have become the nucleus for a museum of science, something that is entirely lacking in the present organizational set-up. Under discussion as well was the possibility, or the probability, of bringing the war museum under the one roof that would be provided. This might again be one aspect of the museum of science to which I have already referred.

I do believe it is essential, if the organizational structure of the Canadian national museum is to be rational—if it is to be organized in the best interests of efficiency—to have an over-all director with separate heads of staff for the various branches that would be required to provide leadership in the various areas of Canadian history.

I would be interested in hearing the minister's comments about the present state of the legislation which was contemplated last year, and how soon we might anticipate its being brought before this house so that it might be dealt with by parliament as a whole. As has been pointed out in the letter quoted by the hon. member for Kootenay West, it is not in the best interests of Canada to have these periodic explosions amongst the highly trained scientific personnel which, of necessity, must be the kind of people employed in museums, disturbances which receive considerable airing in the public press and the type of critical comment which has been placed on the record by the hon. member for Kootenay West.

Just by way of a further thought on this matter, the hon. member who has just spoken raised a point, which is of some significance, about the department of northern affairs being the most suitable branch of government

to have supervisory and administrative responsibility for the museum. We all know that the Department of Northern Affairs and National Resources came into being in 1954 and under its wing were included all kinds of interesting activities, which found a home in the department because they were largely orphans in other departments. As an example of this kind I refer to the Canadian government travel bureau, which for a number of years came under the purview of the minister of northern affairs and which a year ago was returned to the Department of Trade and Commerce because it was thought that this was a more suitable department to handle these activities. I suggest, Mr. Chairman, that some thought might be given by the government and by the very competent officials who have worked with the government on these matters as to whether northern affairs is the most suitable departmental home for an activity of this kind.

Mr. Barnett: Mr. Chairman, I listened with a great deal of interest to the remarks of the previous speaker, and I must say it had not occurred to me that there was anything inappropriate in the national museum being within the purview of the department of national resources, which I have always felt was the wing under which such a repository or record of our national resources, human and otherwise, should properly come. I should like to hear the present minister make some comment on this matter of museum accommodation referred to by the hon. member for Brandon-Souris. I think this is a very important question in the consideration of some of the matters raised in this discussion.

One point I should like to make is this. I am not at all sure that our national museum, with much interest focused on it, should be accommodated in the city of Ottawa or its environs. Such little real association as I have had with the museum as a member has arisen out of the desire of some of the people on the west coast of Canada to have brought back to the west coast some of the items which years ago were taken to Ottawa. A great many of our Indian peoples would like to have back some of their potlatch regalia which was removed from them; they say it was confiscated, although I have understood from time to time that the authorities in Ottawa tend to claim they were in fact paid for it.

In view of some of the discussion which has taken place regarding some of the unhappy aspects of the affairs of our national museum, I should like to say that in course of dealing with this question I had occasion to discuss it both with Dr. Rousseau and Dr. Russell. If there were any differences of outlook or any disturbances within the inner workings of the museum I should like to mention, so as to introduce a more cheerful note into the discussion, that as far as dealing with me on this particular question was concerned they concealed those things very well, and I found my dealings with them very satisfactory.

I should also like to say that as far as I was able to determine their outlooks on this particular question were similar. I met with a good deal of sympathetic consideration for the idea that there was a place for the functioning of our national museum outside the boundaries of our capital city of Ottawa. I put forward this point of view at this time in the hope that the present minister will deal sympathetically as a matter of policy with the suggestion that provision be made to assist the growth and development in other centres of the country of an interest in museum affairs, and that a national museum, centred in Ottawa and operating under wing of the minister of national resources, should consider as one of its functions the stimulation of the growth and development of interest in museum displays in a smaller way in many centres of the country.

One idea which appeals to me and which I explored in discussions with both the gentlemen to whom I referred a moment ago was the idea of providing small displays for some of the smaller centres, the title to which might well remain with the national museum but which could be placed on loan in such centres for a period of time. I hope, no matter what changes may be made in the organization and structure of the museum, that this idea will be kept in mind and that the policies which are developed, in addition to providing adequate accommodation for central displays here in Ottawa, will be such as to encourage opportunities for Canadians in other parts of the country to have a sense of proprietary interest in some of our national heritage which properly belongs to museums both national and local.

[*Translation*]

Mr. Caouette: Mr. Chairman, a few words only concerning vote No. 120 which involves an expenditure of $1,229,500, that is an increase of $7,000 compared to last year.

If we examine the estimates, we notice that this amount is broken down as follows:

Natural history	$309,143
Human history	330,244
Common services	383,499
Canadian War Museum	64,875
National Aviation Museum	141,739

As I said, there is an increase of $7,000 over last year.

This amount is allocated to the administration, operation and maintenance of the national museum of Canada. That is why we are of the opinion that the Canadian people, not only in Ottawa but throughout Canada, should know about the national museum and what it should mean to them. The national museum should be an attraction for visitors from this country and elsewhere.

As for visitors from outside, I am under the impression that, the moment they get to Ottawa, they think the federal parliament is the national museum. That is just because they cannot tell what the national museum is all about. They do not know what is going on there. As a matter of fact, there are many who ask themselves whether the national museum is not to be found in the other place.

Mr. Chairman, it is all very well to speak of the history of the war and of aviation, but I think the history of Canada should also have its exhibits in the museum. There, one should be able to go over all the history of our country, from the beginning of the colony, in 1534, to this day. Something attractive should be set up, considering the amount of money devoted to this item and which the Canadian people is required to pay.

I heard a while ago a member from the official opposition state that politicians must not interfere in any way with the national museum. Mr. Chairman, I have full confidence in the Minister of Northern Affairs and National Resources (Mr. Laing) because I feel he is not himself a politician and will not interfere with the administration of the national museum.

On the other hand, I repeat my view so that this museum will have great significance for visitors and the Canadian people as a whole.

And if some day the national museum has to be expanded we might then suggest to the minister to find room there for the orthodox economists and sociologists who are still advocating the maintenance of an obsolete system in Canada. When that happens, visitors will be extremely interested to see those people mummified at the national museum.

[*Text*]

Mr. Laing: It might be the wish of the hon. members that I endeavour to make some reply on each main item as we go along rather than leave all my observations to the end. I want to say at once that I appreciate very much the interventions which have been made by hon. members, the criticisms which has been expressed and the advice which has been given me for my direction in the future.

I would like to say to the hon. member for Port Arthur that I thought he was more prone to point at the flat tire than to push on the wrench. That, however, is his responsibility and I am quite prepared to take the observations he made. I am going to admit at once that the museum has been the most unhappy part of a department which otherwise, I believe, has been a very happy ship.

This is a situation which has existed over a number of years. Like the hon. member for Calgary North, I do not wish to thrash old straw, although I would have no objection to doing so if there were more grain in it. I think probably his suggestion that we must have some strong central direction of the museum is very sound. I think some of our troubles have arisen from the fact that there was more than one skipper on the ship. I think we shall probably need to make an investigation of whether an exceedingly competent scientist is always an exceedingly competent administrator. I am rather of the opinion that the reverse may be the case, and I think in the arrangements we shall have to make our first responsibility will be to find a competent administrator. I think a competent administrator, one who has a knowledge of human beings, will attract to him people who are extremely well qualified in the work of the various branches which are required within a museum.

With respect to this work, I should like to impress upon members of the committee that these are no longer just dusty studies of bygone days. They have a real application to the times in which we live. These things are not all in the attic. Many of them are in our living rooms and could be the source of worth while developments from a number of viewpoints.

I wonder how many members of the committee have been to our museum recently. I would like to suggest that it be a required visitation on their part; because in these years when we have had all these troubles, the last five or six years, a tremendous amount of magnificent work has been done by the men there. I could mention the displays in the Eskimo hall, the hall of mammals, the marvellous collection of Indian masks and the Lord Bossom collection, all of which are a tremendous asset to our museum.

An hon. Member: And the mineral collection.

Mr. Laing: Yes, and the mineral collection. The suggestion was made by the hon. member for Comox-Alberni that we should send parts of our exhibitions around the country. I think that is a splendid idea and one which could be worked out. We did this when part of the Baddeck exhibition was sent to the Vancouver Pacific international exhibition early this year, and it would seem to me that from

time to time we should consider taking portions of these splendid exhibits and sending them to various parts of the country.

I do not want to revive the animosities and distress surrounding the severances and departures of recent years, because I do not think it would improve the position of those who have left. But I do accept the situation as being a serious one. Others including Dr. Russell—I think six or seven men with doctorates—have left us in recent years. I return to the belief that we must have a unified central administration in the hands of a competent administrator, and I think we shall start from there. So I can promise those members who have contributed beneficially to this discussion that I intend to pay particular attention myself, as minister, to the affairs of this branch. I have studied book after book on the history of the museum in recent years, and they make a doleful tale.

As I say, I intend to pay particular attention in my capacity as minister to trying to establish some peace there and to provide for some progressive work to be done. I can assure hon. members that the days of surgery are over but the days of medication are about to begin. That is a promise I can make to the committee, and I think it will work. I suggest to hon. members that they can hold me responsible a year from now, by which time I think we shall have made some progress.

Mr. Herridge: Mr. Chairman, I just have one question. Some years ago the museum housed a Kootenay canoe, a type of canoe not found anywhere else in North America. That canoe collapsed. The officials of the day having responsibility ordered another one to be built by one or two of the surviving Indians who could build such a canoe and $400 was paid for it. I have paid several visits to the museum to try to find the canoe but without success to date. Can the minister tell us where it is?

Mr. Laing: Mr. Chairman, I will find out for the hon. member where his canoe is. I think he has implied that he supports the view of my predecessor in office, that we simply have to get a new building and new accommodation and the sooner we do that the better. I want to remind the committee that from 1916, when the fire took place in the central building here and when some of the functions of parliament were removed to the museum building as it now exists, until the year 1960 we did not have sole occupation of that building for our own purposes. We have a great number of excellent things that should be on display to the Canadian public, items that would attract scholars from other parts of Canada to make studies of them in this atmosphere, but they are hidden away and will remain hidden away until we get a new building. I want to tell my predecessor that the general plans for the building are all drawn. We require only some detailed plans. I am informed by my officers that the building can still be ready to be opened in late 1966 or 1967, and that will be our objective.

Item agreed to.

The Deputy Chairman: The committee will now return to the consideration of item 40, national parks branch.

40. Grant in aid of the development of the international peace garden in Manitoba, $15,000.

Mr. Woolliams: Mr. Chairman, I realize that everyone is quite anxious to get some of these estimates through but I should like to say a few words particularly about Banff national park, which is situated in my constituency of Bow River. This year more than a million people visited Banff national park, I believe, and one of the problems that no doubt troubles the departmental administrators and will trouble the new minister as it has troubled other ministers arises from the premise spelled out in the National Parks Act in relation to what goes on in the parks.

I do not think I could refer to two better authorities than the Glassco royal commission report, volume 2, page 37, and page 2 of the Oberlander report entitled "Urban Development Plan". I wish to ask the minister some particular questions, but before doing so may I say to him seriously and with the greatest respect that there is some uneasiness among the people in the parks with regard to statements that have been made that they feel are not correct. I have asked the present minister certain questions on the orders of the day. On some occasions he has denied the reports that have appeared in the newspapers as to statements made by himself, and on other occasions he has left the matter up in the air. In view of these facts I say to him seriously that there is some uneasiness among the people who serve the tourist trade, which is probably the second major industry in Canada.

Before dealing with this question I think it is interesting to put on the record the basic problem that frustrates me as a member of parliament representing Bow River, and other members representing constituencies where there are national parks. It is a problem that must frustrate the administrators and the minister as well. I read now from page 37 of volume 2 of the Glassco report:

The National Parks Act declares that these lands are "dedicated to the people of Canada for their benefit, education and enjoyment" and further

stipulates that they be maintained "so as to leave them unimpaired for the enjoyment of future generations".

If I may interject there, Banff national park is not a small area of land. It contains more than 87 square miles. I believe I read somewhere some months ago, possibly in the Glassco report, that the park is the size of Prince Edward Island. So it is not a small area of land. The few acres that are taken up by the Banff townsite are so small that they are like a pinprick on mount Rundle. Therefore when we are realing with Banff townsite and Banff national park we must realize they are two distinct things, one being the townsite that serves tourists and the other the park itself.

This is what the Glassco report says, and this is the whole crux of the problem and why there has been friction from time to time between members of parliament and the minister, and between members of parliament and the administrators. I see the officials are in their places this afternoon. Probably the new minister will have a similar experience with regard to members who represent park areas because the problem is difficult. The report goes on to say:

This is somewhat of a contradiction in terms, and the provision of amenities and recreational facilities for the five million people annually visiting the parks has, of necessity, brought about physical changes in the countryside which rob it, in part, of its virgin character.

In other words, if we are going to have the world Olympics at Banff national park we have got to make up our minds what we are going to do. An island is being rebuilt for the world's fair, and some very definite changes are going to have to be made quickly with regard to Banff townsite and also the skiing site.

Are we going to run slam bang into the proposition set forth in the National Parks Act that these lands are dedicated to the people of Canada for their benefit, education and enjoyment? What that means I am not just sure. I know there is no judicial interpretation, and the administrators have interpreted these words as they have seen fit, as their ambitions and visions have dictated from time to time.

Let us take a look at what the Oberlander report has to say on page 2:

Established primarily for the preservation of the natural landscape and for the protection of native wildlife, they are to be "maintained and made use of so as to leave them unimpaired for the enjoyment of future generations".

I do not think that the fact that we allow some development of the townsite in order to serve tourists is going to run afoul of the preamble and intention of the act. In fact, I do not think the act says what some people believe it says. In my opinion it is being interpreted very narrowly, and from reading the Calgary *Albertan* recently I am inclined to think that the new minister agrees with me in that regard. But there is somewhat of a contradiction, because if you are going to attract tourists you must provide some facilities.

The extreme interpretation of the act is that the park should be fenced off so as to preserve those funny bears with their queer posteriors. Hon. members will recall when that came up in the house. That is the extreme viewpoint. The other viewpoint is that the park should be kept in its natural state as far as possible but that motel, swimming, camping and other facilities should be provided for tourists at certain places.

Even at the time when the minister of the department was a Conservative I said that when the Rogers pass road was opened there would be more people coming to Banff each year. The fact that more people visited Banff national park this year was not because there was a world's fair last year in Seattle. The fact is that people come to the parks of Canada for three reasons. First, they like Canada. Second, they like our parks. Third, they come because the dollar is pegged at 92½ cents and they have more money to spend.

I think the administrators have a big say in the operation of the parks and I do not want to be unkind to them, but if I was critical at all it was because they lacked the vision that all these people were going to come to our parks. I do not want to give my source of information, but I have been told by a person who has lived in the parks for years, a person who is not in the restaurant business, the hotel business, the motel business or any other business whereby money is made out of tourists, but is in a capacity of some authority, that at one time people had to sleep in their cars in the park.

They could not find camp facilities because the camp grounds are crowded. I want to pay the former minister a compliment. There was a large development took place in connection with camp grounds under the previous administration. However, I must go this far and be fair by saying there is still not sufficient space provided to satisfy the number of visitors coming to Banff national park each year. Surely, after people drive 300 miles or 400 miles from the United States, after they have read these attractive ads that are costing the taxpayers of this country money, it is not fair to make them drive another 80 miles to the city of Banff to get accommodation.

This is a problem that was mentioned in the Glassco commission report. There seems to be a conflict as between some people as to

what the act means. Once we clear up that conflict, then we are on the road to getting satisfaction in these parts. I think that is the major problem. I will go this far: I know that everyone in the department is doing the things he honestly believes are correct. However, I say with the greatest respect that some individuals seem to have lacked vision in considering this matter.

I should like to take this opportunity to ask a few questions. I said there was some uneasiness in the parks with regard to the statements the minister has been making in the *Albertan* and the Calgary *Herald*. These statements have scared the people in the parks, and they have scared people like Mr. Bruce who has several times tried to get the Liberal nomination in that riding. It is not just the Conservatives who are scared, but the Liberals as well. Why are these people scared? Let me tell the minister this: For some time the department used to give 20 or 21 leases. Then, these leases were extended to 40 years or longer. This was the security of tenure on lands of persons who had invested in motels, restaurants and other facilities to look after the tourists. They made their investment in buildings, and they would have the security of tenure provided by these leases.

Now, recently, the minister stated that there was some question of the elimination of these leases. I do not know whether or not the minister made that statement, but it was reported in a Liberal newspaper, and because it was reported in a Liberal newspaper the Liberals believed it and so did the Tories. First of all, I think the minister should clarify that situation. Then, in that same article there was reference to the fact that people might have to pay land taxes. They have never paid land taxes in this area. These statements have unnerved the people. They expect an answer from the minister.

There is one matter that is sub judice, and I do not want to get into a court case. However, I do want to say that there is freehold land in the parks, and a large amount of it is owned by the Canadian Pacific—I do not know how many hundreds or thousands of acres. I want to say now that the Canadian Pacific does an excellent job of serving people from the United States and other parts of Canada who go to the parks. I am not being critical in that regard. However, there are other people who own land in the parks. I do not expect the minister to make a statement on this now because it is a big subject; but at some time I would like to hear from him an explanation of why it is that, over the years, land was expropriated from individuals. They were discriminated against, and yet the land of the Canadian Pacific, that big corporation in this country, was not expropriated. I know it is said these decisions are made at the minister's level. I believe they are made at the administrative level and laid on the minister's desk.

Do you know how you expropriate land? You do not even notify the owner; you merely file an order in council. One group of individuals did not know they had lost their land until they wanted to make a transfer to somebody. They searched the land titles in the office at Calgary and they found a certain order in council. I can go further. When they came to me, I called the Canadian Pacific and they referred me to the head office. They did not know their oil rights were expropriated, and they are now very concerned. The previous government had suggested, and properly so, some changes in the law connected with expropriation. I was looking for such legislation. I would say this situation should be looked into by the new government. I want to say, too, that more and more individuals are being discriminated against but the Canadian Pacific holds its land on a freehold basis. I am not against freehold, and I want to make that point clear. I am against discrimination. I am against the method by which expropriation was accomplished.

I am not saying there were politics involved, but I know a man who was a friend of the late R. B. Bennett. He owned some 60-odd acres of land in the park and it was expropriated by the previous Liberal government. I do not say it was a coincidence, but I do say that if you leave the law of expropriation in this condition, whether it is a Conservative government or a Liberal government, you are going to find politics being played with land transfers in the park. It is time there was a clearcut policy from the minister and the department. This is a serious matter. The minister has not been too long in this portfolio, but this situation has continued for a long time. I might say that, at long last, like the Duke of Windsor, I can say a few words on my own. For five years I have wanted to say what I have said this afternoon. I am laying it right on the table. Here is a terrible situation. I want to say once again that individuals are being discriminated against. Why is it that the Canadian Pacific is allowed to hold land under freehold? If there should be a decision of the government approving the expropriation of freehold land in parks, then let us have it. I am against it because I believe that free enterprise can do a better job in the parks. I am certainly against any discrimination.

Now, that is point No. 1. Point No. 2 concerns a smaller matter, but it is an aggravating matter. For a number of years I have been asking that this be changed. It may be changed now, I am not sure. I wish the minister would assure the people it has been changed. People come into the parks and park their cars. They come to spend money, to see the mountains and live with nature.

Some hon. Members: Oh, oh.

Mr. Woolliams: Yes, and some of them live with nature. They park their cars. Maybe they park them too long and they get a ticket. Normally, in any city you can go down to the police station and pay $2 or $3, whatever it is and settle the matter. What have you got to do in the parks? You have to stay over. You are charged with an offence, almost as if you committed a murder, and you have to appear before a magistrate. Please get that regulation fixed up. If you do that for me, Mr. Minister, I can assure you that when your estimates come up next year I will be most kind. People have been asking for this change for a number of years.

I just want to say a few more words about the school of fine arts. There is even a recommendation in the Oberlander report in that regard, that the school of fine arts should not be allowed to develop any further because it might spoil the look of the mountains. This is a big area, as big as Prince Edward Island. I think there are bears in the park that have not been seen by a human and vice versa, it is that large. I may say that the hon. Senator Cameron, if I may refer to him in a most courteous way, has done a tremendous job in developing the school of fine arts at Banff national park. Why was it developed there? Well, certainly the senator could give this information far better than I, because I am not a student of the fine arts. The fact is that a school of fine arts should surely be in Banff national park, the most beautiful place in the world, in that mountain atmosphere. Surely buildings which fit into the trees and mountains, in a space covering 8,700 acres, will not ruin the park? They are not going to scare the little animals and they are not going to hurt those great, big mountains. Let us take a broader look at this thing.

I want to be complimentary to the minister in this regard, because I go along with some of the things he has said. He has grasped the situation that there is a definite conflict—

Mr. Laing: But neither of us want to scare Claude Brewster.

Mr. Woolliams: No, we do not; but I am just going to show you how ridiculous this is. When Premier Manning of Alberta decided to build two art centres, one in Edmonton and the other in Calgary, he wanted to use some of the stone that is found on mount Rundle. Now, mount Rundle is a fairly large hill. It is a pretty large place, and I am certain that somewhere on that mountain a little rock could have been taken out to build one building in Canada. But what happened? The premier could not get the rock. It could not be moved from the park, even with a truck, and so they shipped the stuff in from the United States, which doubled or tripled the cost. I may add that these two beautiful buildings in Calgary and Edmonton are a credit to the provincial administration, but surely the example I have given is carrying things too far.

There is a conflict between keeping all this place for nature and making use of it for other purposes. When one talks like this, especially around Calgary, people write editorials, and they are dirty editorials. They say you want dancing girls, pool halls, and everything else; but no one is suggesting that. I hope I make myself clear this afternoon. I am suggesting facilities suitable for the million and more people who visit the parks, and that these facilities should be extended to take care of more and more people who will come to visit the parks, and that this be done with real co-operation between the federal department and the provincial governments.

There is a little spot up in the north where a mine extends only a few feet into the national park, but if anyone were to put his hands across the dividing line he would have his fingers removed. This is carrying things a little too far. Again, the animals are not going to be scared by that little bit of encroachment.

It may be said that this will establish a precedent. In fact a lot of people criticize lawyers because they believe in precedents, but I have never seen a precedent that could not be changed, distinguished, or done away with by a court. Therefore I tell the minister not to be afraid, in dealing with the parks officials, if they tell him he is going to establish a precedent. The average person who thinks about the development of our parks is not concerned about that.

I congratulate the administrators; that is their job, to keep the parks in their natural state. But if we are going to have tourists we must have some development, and let us make it a reasonable development, and not a monopolistic development either. There was some suggestion, and I do not know whether this is correct or not, that the department was going to get into the building of motels. For goodness sake, it does not matter how socialistic a government may think we should become, freedom of enterprise does do a

better job when there is competition, and we can make certain that tourists from the United States and all over Canada can be provided with proper facilities without having the government getting into this kind of business.

There are three things I would say. This conflict must be straightened out. Second, for goodness sake take a look at the way expropriation is going on for the parks, and whether there is any discrimination. Under the present act there certainly could be. We should also determine whether it is fair to have certain forms of traffic regulations throughout Alberta, that encourage tourists to come to our parks, and then have other regulations that are medieval.

How many years does it take to make these changes? If the minister does the things I suggest, he will do a good job for the tourists, for the parks and for Canada. One of the most beautiful places anywhere for skiing is at lake Louise and Banff, and when the world Olympics come we will sell our parks as they are and develop good will all over the world. Look at what has been done in that connection in European countries. What has been done in Europe can be done in Canada.

Mr. Barnett: Mr. Chairman, when I was listening to the hon. member for Bow River I remembered that the first time I came to this house I was seated immediately behind his predecessor, and I have come to the conclusion that, regardless of party affiliation, the hon. members for Bow River seem to show an almost obsessive concentration on the problems of Banff. I used to tell the former member that when one was travelling west, after spending a few weeks or months in eastern Canada, those mountains around Banff did not look too bad; but of course when one was travelling east, after having spent some time in British Columbia, those little pimples were hardly noticeable.

I have one or two suggestions for the minister which may help him solve some of his problems with the hon. member for Bow River, concerning the overcrowding of Banff. I would point out that in my constituency we have some ice fields that would make the Columbia ice fields look pretty small. The hon. member for Bow River also talked about another vast expansion of park, but in the mount Waddington region there is mountain scenery that would make that at Banff rather pale in comparison, and which I hope will be made one of the great wilderness parks of Canada. However, I am not seriously proposing at the moment that this should be done immediately; but while we are discussing this item I would like to know how the minister is getting along in the discussions he has been having with the British Columbia provincial authorities in respect to national park development in the coastal areas of that province.

Earlier this session there were several references to Garibaldi park, and I would like to tell the minister that I have been receiving increasing representation from Vancouver island as to the desirability of Strathcona park and the Forbidden plateau area being developed as a national park. I have replied that the initiative for any such development would have to come from Victoria, because Strathcona park is a provincial park and comes within the jurisdiction of the province. But I have expressed the hope that if such a development would be within the wishes of the provincial authorities, then perhaps the matter would receive a favourable reception here in Ottawa, and I have indicated I would do everything I could to persuade the federal authorities of that desirability.

As I have said before in this house, it is a matter of great regret that while we do have these beautiful national parks in the eastern part of British Columbia, and in the adjacent area of Alberta, we have no federal park development in some of the beautiful park areas on the west coast. I would like the minister to tell us if there is any greater likelihood of his being able to make such proposals than there has been on various other occasions when this matter received discussion and attention here.

Mr. Nielsen: Mr. Chairman, I have just a very brief question to ask the minister. He might reply to it when he replies on the item concerning national parks. My question concerns the proposal for the establishment of a national park in the Yukon. As he knows—or may not know—there are two views in the Yukon with respect to the establishment of a national park. All the groundwork has been done, of course, through the efforts of parks branch officials who have very thoroughly investigated areas in the Yukon which might be suitable for the establishment of a park. The matter has come before the legislative council of the Yukon on more than one occasion for discussion, and I believe the minister will find in his departmental files certain submissions made by the Yukon chamber of mines, and other organizations in the Yukon.

One point of view is that we should have a park because tourism is essential to the growth of any economy, and certainly it is an important segment of the economy of the Yukon. In opposition to this view is that of the mining community, which is against the

establishment of a national park because of the existing restrictions which would prevent geological exploration and development with any park boundaries which might be established. The Yukon has perhaps the largest area of nature in the raw of any area in Canada, with over 207,000 square miles available for the establishment of a park. One of the objections of the legislative council in the Yukon to the proposed location of the park was that it was to be located in an area of promising potential development adjacent to, for instance, the holdings of Hudson Bay Mining and Smelting Company, where substantial low grade nickel deposits have been established.

All I would like the minister to do is tell us what the intentions are, in so far as the government is concerned, in connection with the establishment of the park. When he was in Whitehorse he spoke on the subject—it may not have been in Whitehorse, but certainly in one of the locations in the Yukon; perhaps Dawson City—of the establishment of a park. That might be a suitable area; I do not know. Certainly the parks branch officials are much more capable than I to suggest the factors which should be present in the establishment of any park. But my understanding of the minister's remarks there was that such a park would be established, and just as quickly as possible. With those few brief remarks, Mr. Chairman, and the request to the minister to state the intentions of the government, I have nothing further to say on the item.

The Chairman: Shall the item carry?

Mr. Nielsen: Mr. Chairman, the minister did state his intention was to reply to each item as it was raised. If he would follow that procedure, it would be very acceptable to me.

Mr. Laing: Mr. Chairman, in reply to the hon. member for Yukon, I would say I assume we would be forced to regard the territorial government in the same light as we would a provincial government. Therefore I would very much hesitate to announce that we were going to place a national park in the Yukon without an agreement with or request from the territorial council of the Yukon. I know, as the hon. member knows, that this matter is under way up there. I think all it requires is a determination and agreement on their part that they are setting aside a piece of property with regard to which they can overlook the expression that "there's gold in them thar hills". I think it is a matter of deciding on a property which the mining interests agree is not worth working. I am quite certain that if an application were made by the territorial council on that basis, the government of Canada is desirous of seeing to it now, particularly in the light of the coming centennial celebrations, that there be set aside such property for preservation in the future. That would be the attitude as far as the Yukon is concerned.

As far as my hon. friend from Comox-Alberni is concerned, we have latterly had indicated to us that there is a minute piece of property in the general region of cape Beale, on the west coast, which is available to us. I do not think this would interest us because of its size and location. I have not given up hope entirely in respect to Garibaldi. I have spoken to some of the ministers of the province of British Columbia and I would hope there is some chance yet of our having the government of British Columbia agree to turning that property over to us. I am quite convinced that as there are four or five national parks on the Atlantic coast, and not one of the Pacific coast, it is in the interests of the provincial administration that we have a national park on the Pacific coast. I am quite certain it would net the province of British Columbia $4 million or $5 million a year in holding back that great number of tourists coming into that province from the south, making a bee line toward Banff, because Banff is a historic name they have in their heads, and then using the ultra modern highways to get out of British Columbia as fast as they can. I am told by men who are familiar with areas which people enjoy in Europe that there is no comparable area anywhere in the European Alps with what can be developed in the Garibaldi area. I want to thank my hon. friend for mentioning Forbidden plateau. It too is a very considerable and renowned area in British Columbia and I think it should be given a great deal of attention as either provincial or federal parks are developed in the future.

While I am on my feet, Mr. Chairman, I want to thank the hon. member for Bow River. I enjoyed him very much and I am quite certain he enjoyed himself. I think all the estimates he ought to discuss should be in this department, because he was indeed humorous and at the same time gave us something to think about. I want to assure him that I made the statement that we are searching for a different and more equitable basis than the present one on long term leases in the park.

Mr. Woolliams: What does the minister mean by "more equitable"?

Mr. Laing: Well, a fair basis. I am thinking in terms of what might be called a business tax, rather than the situation that now exists.

My hon. friend dealt with the tremendous increase in the number of people. Historically the western parks attracted some wealthy Canadians and a great number of wealthy Americans, as he knows, who came through in trains in the old days. They set up in C.P.R. or Canadian National hotels, where all facilities were provided, and their holidays were very expensive over several weeks. There is a new torrent of trade now, which is due to the automobile, rubber tires, good highways and a number of other factors, including probably the 92 cents dollar, but also the relatively buoyant conditions of the economy of Canada, and statutory holidays with pay. Therefore Canadians who hitherto did not have the money with which to see Canada now have that money. It is a very fine thing that they do. We have to take care of the accommodation that they require in our parks. I agree in general with my hon. friend from Bow River that our parks are large enough, the topography there is of such a nature that we can put these tenting and camping locations and the requirements for trailers in areas where they will not deface the general landscape. This is what we are going to do.

The hon. member talked about historic leases. I have studied this question and have been astounded and amazed at what I found. There are leases for tiny sums of money that have been built up through the years, partly as a result of the monopolistic situation created by the establishment of the parks by a national government, into tradeable items of many thousands of dollars—and I do not like it. I am referring to leases of $7 or $9 a year, and I hear reliably that those leases are being traded for ten, twelve and fourteen thousand dollars. I suggested that we should arrive, over a period, at a position where we could establish what I call a business tax in place of these long-term leases.

Mr. Woolliams: Does that mean that the leases would remain the same, the tenure and so on? What you say is, tax the enterprises which are getting rich in the tourist trade.

Mr. Laing: I do not want to be unfair or scare anybody, but I am told that one or more provinces in Canada have given notice over a period of years that long-term leases are out. I have not decided that we should do that nationally, but we are making a concerted study to see whether more equity as well as fairness can obtain. Because we have a situation, as my hon. friend knows, where some grandchildren are today in the position where their grandfathers took the original lease of land in a national park and have been living in the park, but now that right is denied other Canadians because we do not lease them any more. In the interests of equity and in the interests of participation on the basis of the accruing value from the monopolistic position of the parks branch here, I would like to see something better than that which we are doing at the present time. I appreciate very much the advice given today by hon. members who have spoken on this item.

Mr. Woolliams: Would the minister say something about the remarks I made—made not in a political way—about the method of expropriation of land? I say this with great respect to the C.P.R., who have done a tremendous job of building up the tourist trade, not only with their trains but also with their beautiful hotels. I should like to know what the minister's plans are for the future, or whether he has discussed this question with the Department of Fisheries.

Mr. Laing: I do not know, without notice, about expropriations such as the hon. member describes. Any attempts we have made to buy property have been made strictly by negotiation. I think that is the case in every instance since I have been with the department. Some of the attempts we have made along the line of negotiations have frightened me to death, again because of the apparently monopolistic position. We are spending tremendous sums of money, and some of them I have set aside currently for this reason.

Mr. Woolliams: I should like to develop this for one minute. A lot of these things have been cleared up, and in this I pay regard to the former minister. When I first became a member of parliament for Bow River in 1957, Mr. Edward McCormick, Q.C., of Calgary, had various cases in his office where all the government does—and I have checked the procedure; I know the procedure and have done research into it—is to pass an order in council, file it in the land titles office, and there is no notice to the landowner at all. He may or may not know about it. The land titles office may inform him, but otherwise there is no notice.

On top of that, five, six or seven years go by. I am now referring to one of the cases which the minister and his officials may have in mind. It has now got to the stage where I do not know whether they will compromise or not. I am talking about ordinary cases in Banff and I could name dozens. I have a file full of cases which were finally settled. We begged the minister and his officials from 1957 on, and finally they settled. I am not saying this was because the Conservatives came into power, but because pressure built up. Although I give the minister credit for cleaning these cases up in his time, I am sure

that if he had been the previous minister he would have cleaned them up. The fact is that I hope the minister looks into it, because there is a lot of freehold in our parks land. One lady came to me when I was in Calgary with a letter from the department. She knows what happened to her other relatives. This letter said: "Will you sell your land?" If she does not answer the letter and does not negotiate at a price with a gun at her head, what happens? At some time in the near future there will be an order in council passed and there is only one solution. They say: "You can go to the exchequer court".

Why should a landowner have to go into court? Why does not the department in three or four weeks, if they cannot settle it at a price, after proper valuation take the matter to court and pay the costs? Much of this land in Banff is only worth $100, $200 or $300. If they did go to legal counsel and fight over it, it would not be worth their while. That is how it is done and it is wrong. That is why the Expropriation Act of Canada should be changed. I know the minister cannot do it today, but I ask him to take a hard look at this. I have a case—when it is settled, or tried and passed through the exchequer court—that will be a national scandal. It dragged along for four or five years before they started an action. Why should people have to start an action? Why are they not notified? Why does not the department sit down and negotiate with them? If they cannot agree to a reasonable price let the exchequer court decide. But the fact is that it costs that person money. He has to go and hire a lawyer. He is put in all these difficulties. But it is so easy for the department; they sterilize development. That is what the department does, and it is a national scandal. You can own land and put your life's savings into it. Then the government expropriate it, and if you do not take their price they sterilize development till they get it in their hands, and then develop it. Is that fair to the individual? What about the civil property rights of the people of this country? That is what I am complaining about. It is a national scandal.

Mr. Laing: I do not think any of the conditions portrayed by the hon. member in the bad old days of which he was a part persist at the present time. I do not think we have picked up any person's property at all without attempting to negotiate. If we have been unable to negotiate—and I am talking after eight months' experience—we have not expropriated the property in question.

Mr. Woolliams: Since the minister took over many of these things have been cleared up, and I would say that is correct; but in the past, under former Liberal administrations it has happened. I am not saying it was because a Liberal administration was in power but that is what took place. It is at a halt at the moment, but I can show you letters where freehold landowners have written to me, maybe unknown to the minister, saying: "We do not believe in any freeholds in the parks; we want your land". But the C.P.R. does not get a letter like that. You can deny it, but give me the chance and I will bring in files of evidence.

Mr. Pigeon: Only one question for the minister. Has he received a request from the government of the province of Quebec to create national parks in that province? Because I do not think we have one park.

Mr. Laing: I understand that the government of the province of Quebec is engaged in some studies. We have had no request from them to establish a national park in Quebec. However, I am told some studies in respect of two areas are under way.

Mr. Watson (Chateauguay-Huntingdon-Laprairie): Mr. Chairman, may I take a few minutes of the committee's time to make a few remarks. I am wondering why there is one very important deficiency in our national parks program, namely a lack of proper and adequate park facilities close to our two major metropolitan centres of Montreal and Toronto. I think there is a growing recognition at all levels of government that as the full force of the technological change which is called automation strikes industry and our working population, a shorter work week will result and it will be necessary to provide recreational facilities to meet the increase of leisure time. The full effects of this automation will first be felt in the metropolitan areas. I suggest that the need for park facilities within a reasonable driving distance of Montreal and Toronto is urgent. I suggest that wherever possible and with full cooperation from the municipal and provincial authorities, a survey be made in the river area along the St. Lawrence, in the Montreal region, and in the lake area around Toronto, with a view to establishing park areas around the many historic sites which mark the route of voyageurs up the St. Lawrence and the paths of the early settlers around the lake in the Toronto area.

I have a specific suggestion to make, and it is that the historic site of the battle of Chateauguay at Allens Corners in the county of Chateauguay should be properly established as a park under the jurisdiction of the department. This site is located only 25 miles from the island of Montreal and it commemorates, as I am sure any historian today would agree, one of the most significant

events in Canadian history—the repulse of an invading American army as it approached Montreal in October, 1813. This victory over the Americans on October 26th, 1813, was a French Canadian victory. Had it not been for the unity of all the elements of society in Lower Canada in 1812 and 1813 it is very likely that Montreal would have fallen to the invaders and, with the link with Upper Canada cut, that the whole of Canada would have fallen to the Americans. I suggest that this battle is worthy of proper commemoration.

At the present time there are two stone cairns commemorating the event. These are situated on plots of land, one of which measures about 25 feet square, and the other approximately 40 feet by 150 feet. Since there is a great deal of land available in this area —it is not an urbanized area—I hope the hon. gentleman will give every consideration to further development of the site commemorating the battle of Chateauguay.

Finally, Mr. Chairman, I should like to suggest that along the St. Lawrence river a number of historic sites exist which are neither marked nor commemorated, and I hope the appropriate branch of the department will in the near future investigate the possibility of commemorating these important reminders of our history.

In closing, I should like to say that if we are ever to establish any sort of Canadian identity it seems to me it will have to come from our identification, as Canadians, with the vast wilderness heritage which has fallen to us. When we consider the space we have available, I think Canadians should be the greatest outdoor people in the world. Yet they are not. I feel, as I know the minister does, that his department has a most important role to play in instilling an appreciation of this Canadian heritage in our youth.

Mr. Patterson: I was interested in the observations which have been made with respect to the possibility of establishing a national park in the Garibaldi area of British Columbia.

I know that on a number of occasions suggestions have been made in this regard. I do not know if the idea has been regarded too favourably by the province of British Columbia. It may be they are leary of the intentions of the federal government in this field, because on several occasions in the past they have been faced with efforts on the part of the federal government to gain a little more control over British Columbia and its resources. I look back a number of years to a bill called Bill 3 which proposed to take over the Columbia river area and declare it to be in the national interest. Then, more recently, the federal government proposed to lay claim to the offshore mineral rights of British Columbia, and this question has not been settle as yet.

So, with regard to this possibility of acquiring land for a federal park in the Garibaldi area there is a question of just what might be involved in the way of provincial natural resources. I would like to ask the minister if in any consideration he has given to this project he found himself in agreement with the former minister, that there is room for two developments in this section, one, provincial, taking in the Golden Ears area, and the other federal, to include the northern alpine area as a national park. I wonder whether the minister is of the same opinion as his predecessor was in this respect.

Mr. Laing: That might well be so, but I would prefer to have our technical men make an inspection of the area and report upon it before I make any judgment. So far, the premier of British Columbia has not agreed to let our technical men enter the property.

Mr. Nielsen: I have only a word to say at this point and it is with reference to the minister's assurance that no decision will be taken with regard to the establishment of a national park in the Yukon until the Yukon legislative concil has made application. I wish to thank the hon. gentleman for that assurance, since it was on my suggestion that the previous administration established this policy. I am sure the people of the Yukon, through their council, will be happy to hear what the minister has said in this regard.

Item agreed to.

50. Canadian wildlife service—Wildlife resources, conservation and development including administration of the Migratory Birds Convention Act, $979,700.

Mr. Pascoe: I have a few comments to make under this heading. The problem I wish to raise concerns the natural migration in the fall of large birds called sandhill cranes which do great damage to the crops of farmers in one area of my constituency. This is the area around Govan, Nokomis and Hatfield at the northern end of Last Long lake—an important lake which enters into the naming of my constituency, Moose Jaw-Lake Centre.

To outline the problem very briefly which I wish to present, I should like to read a few comments from an article which appeared in the Semans *Gazette,* a newspaper in my constituency. The article reads in part as follows:

—the breeding range—

Of the sandhill crane.

—is in the far unsettled north, from Siberia to Baffin island.

This is the part I am concerned about:

> In August the cranes start funnelling down from the Arctic toward their wintering range around Texas, Louisiana and Mexico. Last Mountain lake...is a sojourning region where the cranes gather in thousands and live well for a few weeks before continuing the journey.

With regard to the damage to crops done by the sandhill cranes the article says:

> It is not the amount of grain the birds eat, although this can be considerable, but the damage they do to the swathed grain with their large feet that brings most complaints from farmers. The birds will literally take a field apart. What grain they do not eat they scratch out of the heads and pound into the ground.

The article also brings out an item which should be of interest to the minister and probably to the house. It refers to the number of sandhill cranes in this particular area and says:

> On August 1 less than 300 of these cranes were in their usual roosting ground on the lake. By August 31 their numbers had increased to 30,000.

The problem I am trying to bring out is put in these words in the article:

> It is one of trying to fit the crane migratory pattern into the local farming industry so both may survive and flourish.

Naturally the farmers who suffer severe crop losses want some way of controlling the birds. The former minister of northern affairs and national resources, whom I am glad to see in his seat, took definite action on the problem in 1961 and 1962. His department planted what were called lure crops to attract the birds from the grain fields. I think this plan was at least partially successful and I believe additional land was seeded to lure crops this year.

I have had considerable correspondence about this problem and I think the minister has too. I should like to refer briefly to some of it. I have here a letter from the secretary of the rural municipality of Wreford, No. 280, in my riding. He says in part in his letter:

> We would recommend...if these cranes must be protected, that a couple of sections of lure crop might keep cranes off the farmers' crops which might be sufficient, under favourable weather conditions in the fall, to allow farmers to harvest their crops and not suffer too much damage, but in addition to this, exploders and shooting to scare practice should be used, outside the lure crop area, in order to herd them onto the lure crops.

I have another letter containing a resolution adopted at a meeting in Govan, Saskatchewan, of the Saskatchewan farmers union. This resolution was passed on March 21, 1963. It suggests that some plan be worked out under which the federal and provincial governments would pay all losses caused by sandhill cranes. I am sure the minister received a copy of that resolution. I think these resolutions demonstrate that the farmers in the district are ready to co-operate in any effective program of crane control. I find the residents around Last Mountain lake just as interested as any other group in preserving the whooping crane. To a great extent the whooping crane resembles the sandhill crane and the odd specimen of the whooping crane is found among the sandhill cranes. That is why the farmers are loath to shoot them. I do not believe they have permits to shoot them anyway.

It might be of interest to the committee to know that a small bird sanctuary, the first one on the North American continent for birds, was established in the area around Last Mountain lake in 1887, and I am pleased that it was established under the Conservative government of Sir John A. Macdonald. I suggest to the minister that this wildfowl sanctuary should be expanded by purchasing additional land, some of which can be seeded to lure crops and the rest left as marshy feeding grounds. I also think that the sight of 30,000 large sandhill cranes, each about three feet tall, feeding in one sanctuary would be a great tourist attraction. There would also be the possibility of tourists seeing one or more of the rare whooping cranes.

I understand that the minister's department has agreed to allow certain farmers in designated areas to shoot cranes threatening their crops. I realize that some of the farmers might be provoked into shooting the birds because of the damage to their crops, but I think it would be a mistake to allow indiscriminate shooting in view of the danger that one of the rare whooping cranes might be killed.

Most people would agree that an adequate bird sanctuary is a better solution. As I said earlier, the first bird sanctuary on the North American continent was established in this area in 1887. The enlargement of this sanctuary by 1967, 80 years later, would be a very fine centennial project. The Minister of Northern Affairs and National Resources might be able to call on his colleague, the Minister of Agriculture, to help secure the necessary land under the ARDA program, and I am sure the farmers in the area would co-operate in any project that is planned.

Mr. Pickersgill: Mr. Chairman, I wonder if I could intervene to see what the sense of the committee might be. It was understood through the usual channels that at 4.30 the Minister of Justice would go on with his estimates, but I think I explained last night that the Minister of Northern Affairs and National Resources would find it a tremendous convenience if there was some possibility of getting his estimates completed within a reasonable time this afternoon. I should like

only to find out what should be done, because if there is no hope of getting them through in a reasonable time I think we will go right ahead at this point with the estimates of the Department of Justice.

Mr. Churchill: Is it the intention to carry on with private members' business at five o'clock?

Mr. Pickersgill: I am hoping to find out through the usual channels. Perhaps we could reach agreement about that right now. I know that the first bill which stands in the name of the hon. member for Timiskaming is not going to be debated and the government is willing to have it stood, so that it will not lose its precedence. I have not been able to find out whether it is the general view that we should debate a purge for the King's-evil or the whooping crane, but as between the two I would hope, quite frankly, that we would go on with the whooping crane.

Mr. Knowles: You mean the whooping evil.

Mr. Howard: Mr. Chairman, the hon. member for Port Arthur has expressed the desire to purge the King's-evil rather than debate the whooping crane.

Mr. Pickersgill: Perhaps we could wait until five o'clock and let the hon. member for Port Arthur speak for himself.

The Chairman: Shall the item carry?

Mr. Barnett: Mr. Chairman, I am not sure whether we have decided that we are going to continue with northern affairs.

Mr. Pickersgill: I had hoped that we might dispose of the department in the next 20 minutes or so.

Mr. Barnett: I have one question.

Mr. Nielsen: If the hon. member does not mind, I should like to interrupt to say that I will need more than 15 minutes to make my remarks on the first item of northern administration. I was not here when item 1 was called and there are some urgent things I have to say in that regard.

Mr. Pickersgill: I think, in that case, sir, we should do what we originally intended to do and go right ahead with the Department of Justice.

The Chairman: Shall item No. 50 carry?

Mr. Barnett: No, I have a question I want to raise on that item.

Mr. Pickersgill: Could the hon. gentleman raise that question and have the item carry?

Mr. Barnett: I should like the minister, just briefly, to inform the committee what, if any, developments are taking place in the field of federal-provincial co-operation in respect of wildlife services. I have had certain representations made to me by fish and game organizations to the effect that there should be developed a federal-provincial cost-sharing program in this field, one which would probably lead to even greater integration and co-operation in this field.

Now, I should like to know whether or not this has been the subject of discussion at the resources ministers conference, and also whether there was any discussion of this matter during the recent federal-provincial conference.

Mr. Laing: Mr. Chairman, in reply to the hon. member I may say that there are a number of fields in which co-operation is being advanced between the federal government and the provincial governments, notably under the resources program in respect of wildlife on the Canadian prairies. We have set up so-called "wet spaces", particularly for the duck population. We are in the process of making arrangements, over an extended period of years, to do considerable of this work which will plan the efficacy or fail to plan the efficacy of doing this on a large scale. We are finding a great deal more information about ducks all the time. We want to put some of this knowledge to use on a fairly extended scale, involving quite a sum of money in the various provinces.

The closest possible relations also are beginning to exist between the provinces and the federal government in the acknowledgement of the fact that here we have a resource of tremendous value, not only for the enjoyment of the people who live in Canada but for tourists as well. I can assure my friend that real progress is being made in that direction.

While I am on my feet I should like to say a word to the hon. gentleman who brought up the problem of the sandhill crane. He dealt with the technical aspects from beginning to end. I may say we have arranged with the United States authorities to, what my scientific people call, harvest a crop. The United States authorities have undertaken, after separation of any whoopers that come up in the crop of sandhill cranes, to bash the cranes down. Whether or not that will work, I do not know.

Mr. Pascoe: Is there any suggestion of increasing the number of sanctuaries?

Mr. Laing: Yes, some work can be done in that regard. Apparently, these birds can be attracted to one place, and they damage the

crops on farmlands. I do not believe anyone should snicker at this. I believe these cranes congregate in three places only; and when they do so in such numbers, millions of dollars of crop damage can result. There is a responsibility for us to try to entice them by baiting certain areas where we can feed them. In any event, we are undertaking, in co-operation with the United States authorities to annihilate them when they are down south.

Item agreed to.

The Chairman: Is it the desire of the committee to pass also item 50a which also deals with wildlife service?

Some hon. Members: Carried.

Item agreed to.

DEPARTMENT OF JUSTICE

1. Departmental administration including grants and contributions as detailed in the estimates, $1,378,100.

Mr. Bell: I will be very brief in my remarks on this item because I do not feel the estimates should be dragged out. However, when the first item was up for discussion a week ago, most of the remarks centred around security changes. Speeches were made by the Prime Minister and the Minister of Justice. I do want to make one or two perfunctory remarks.

It has been customary, when the departments are first called and when the estimates were prepared by a former government, for the minister to say that criticism would be limited. At times former ministers have paid tributes to the different civil servants with whom they have been associated. I cannot do that job adequately, but since I was parliamentary secretary to the former minister of justice, Mr. Fulton, as well as Mr. Fleming, I do want to take a moment to say a few words. I am sure we all recognize the good record Mr. Fulton had when he was minister of justice. His energies and his capacities were known to all of us. He had a good record as a parliamentarian and I am sure he will be remembered as a good cabinet minister. In so far as his work in the Department of Justice is concerned, he will be remembered particularly for his reorganization and modernization of the federal penal system and the change to medium security and minimum security prisons, as well as for instituting a program of staff training and industrial training for inmates.

I should like to pay tribute at this time also to the press who were so co-operative during my time in the department in attempting to explain and sell this new idea of penal reform to the people. Some of the other matters that came under reform in the department during Mr. Fulton's time were the national parole board, narcotics control, capital murder, sexual psychopaths, anti-combines legislation and R.C.M.P. reform. I merely mention these things for the record, Mr. Chairman. I had some extensive notes, but hon. members will be pleased to know I seem to have lost them since the estimates were first presented.

I want to mention two other subjects which were of particular interest to me, namely the R.C.M.P. and juvenile delinquency. I want to pay tribute to the former commissioner, Mr. Harvison and to his successor, Mr. McClelland. I am sure that their records are known to us all. We wish them both success in their new endeavours and their responsibilities, respectively. The R.C.M.P. have suffered a certain loss of prestige in the eyes of some people in the country. We hear of criticism of them in their performance of the many arduous duties assigned to them, such as traffic control, policing yachts, boats and matters of that type. I think we should take a hard look at that because it is we, in society, who assign these very difficult tasks to them. There have also been communist activities which have needed investigation, and we have been perhaps overzealous in our criticism of them there.

I think, Mr. Chairman, a new look is needed at this problem. It may be that social contact between the R.C.M.P. and individuals in our society will help this problem. It could be that a full campaign of national publicity and a youth program would help make this better understood. There were some figures I saw recently which quite surprised me. I noted that out of 1,538,000 investigations within a full year, the R.C.M.P. had only received 103 complaints and of those only six needed disciplinary action. This is one matter we will be watching from the opposition standpoint. The various activities of the R.C.M.P. do seem to be very close to our daily lives in this modern world.

Now, juvenile delinquency is another favourite subject of mine. A short while ago I asked the minister a question about the juvenile delinquency report, and he answered in some detail on November 20. That answer is in *Hansard* and I do not intend to go through it. It was to the effect that the committee, which was set up by Mr. Fulton, is continuing its work. There were some difficulties due to staff changes and the like, but it is hoped that the complete report will be available in 1964. I hope the work will go forward and that there will not be any delay.

I want to stress the importance of it. I am sure the new minister is interested in this too, and I would hope that in some way part of the report could be made available, after it has been seen by various responsible persons, so that those of us who are interested can go through the statistics and the information, and try to assist in making final recommendations that will result in new legislation.

Some of the figures on juvenile delinquency are very startling. I recall reading a report in the October 21 issue of "U.S. News and World Report" dealing with crime in Washington. I am not suggesting it is the same in Ottawa, but here are two capital cities that have similar conditions. What was amazing was that some 50 per cent of the juveniles who ended up in the hands of the police in Washington had come from broken homes, and in one particular area 90 per cent of the older persons with records had previously been charged as juveniles. I leave those figures with the committee for consideration, and I hope they will interest us to make these very necessary changes in our society.

There is, of course, a great link between the two subjects I have mentioned, the R.C.M.P. and juvenile delinquency. It might be that the responsibilities of the R.C.M.P. could be directed, even more than they are now, to problems of our youth, and in this way a more favourable image of the R.C.M.P. would be created. That force would then be dealing with one of the great challenges of today.

I do not have anything more to say. I wish the new minister well in his endeavours, and I hope he will carry on some of the very important reforms that were made by Mr. Fulton when he was minister of justice.

Mr. Orlikow: It is not my intention today to discuss the question which I, and a number of other members in this group, have discussed on a number of occasions, namely the measures taken by the government in connection with security investigations. It is not that we do not think this is an important question. It is not that we do not think much discussion is required, but we have the statements made recently by the Prime Minister and by the Minister of Justice that a new look is being taken at this important question, and that new policies and new regulations will be worked out. We are prepared to wait a reasonable time, to give the government a chance to work out a policy and report to the house, before we discuss the problem further.

I have just one more thing to say on this subject. So far as I am concerned, and I think I can speak for other members of this group, despite what the last speaker seemed to intimate, our criticisms have never been primarily with the R.C.M.P. I have said it before, and I will say it again, that successive governments have given the R.C.M.P. an impossible job in the field of security. They have not defined clearly enough what they want from the R.C.M.P. so that they could do the job that is required and still protect the rights of the individual citizens concerned. This is something we will be dealing with at the next session of parliament. Meantime I wish to tell the minister we expect to have a pretty clear, detailed explanation rather than the fairly good but rather vague and general statements recently made by the Prime Minister and himself.

This evening I want to discuss what I think is the completely inadequate rate of progress we are making in correctional programs. In 1950 the United Nations made a survey of correctional programs in its member countries, and Canada was listed fiftieth among those countries in the standard of service which was provided to unfortunate people who pass through correctional systems. We have had progress reports since then, but I do not think the improvements we have made will have boosted us very much in the scale, and I would be very surprised if we were in much higher than fiftieth position.

This is not surprising, if we realize that at any one time in Canada, in the prisons, penitentiaries and jails operated by the federal and provincial governments, there are probably over 17,000 people behind bars. Of those in the federal penitentiaries, 75 per cent of the inmates are repeating sentences, and in the provincial institutions somewhere between 60 per cent and 75 per cent are repeating sentences.

Stuart Jaffary, who is a professor of social work at the University of Toronto, in a book published this year gives comparison rates of prison populations in Canada and Great Britain. He uses the year 1955, which apparently was the last year for which he could get figures, and these figures ought to shock and cause a great deal of concern to us.

Great Britain in 1955, which had three times the population of Canada, only had a few thousand more people in prison than we had. We had 13,500 people in prison, the rate being 87 per 100,000 population; while Great Britain had only 18,500 people in prison with the corresponding rate less than half of ours, or 42 per 100,000 population. Of those convicted of indictable offences in Canada, 45 per cent were in prison, while in England and Wales only 17 per cent were in prison. For indictable and non-indictable offences 122,000 people went to jail or prison in Canada in 1955, a rate of 781 per 100,000 population;

while the number in England and Wales was only 39,000 people, a rate of just 90 per 100,000 population.

This is not surprising because the British have had a system of probation for a long number of years, while we are really only beginning such a system, and it is not much thanks to the federal government that we have any kind of probation system at all.

The last report, the last of many studies made of our correctional system, the Fauteux report, suggested that in a modern correctional system the first principle is to keep as many offenders out of prison as possible. I suggest that something be done to get this idea across to the public.

The Chairman: Order.

Mr. Pickersgill: If I might interrupt, and I apologize to the hon. gentleman, the hon. member for Port Arthur has sent me a message and I believe there would be general agreement to go right on until six o'clock. If that is the case, I am sorry to have interrupted the hon. member for Winnipeg North.

Mr. Howard: That is agreeable but it is regrettable the hon. member for Port Arthur is not here to speak for himself.

Mr. Pickersgill: I had power of attorney.

Mr. Orlikow: Mr. Chairman, I hope the Minister of Justice can do something—

The Chairman: Order. Is it agreed by the committee that the Chair will not see the clock until six o'clock?

Some hon. Members: Agreed.

Mr. Howard: Provided you see it at six o'clock, Mr. Chairman.

Mr. Knowles: What are you going to say at six o'clock?

Mr. Pickersgill: "It being six o'clock I do now leave the chair".

Mr. Orlikow: Mr. Chairman, I hope the Minister of Justice can do something to convince the judges of this country that they ought to pay some attention to this recommendation in the Fauteux commission report. In this morning's Montreal *Gazette* there is a story that yesterday a judge hearing a case of a man being tried for robbery, I think, ignored the recommendation of both defence counsel and crown prosecutor—who agreed that the sentence for this man, who was guilty, should be only one year—and imposed a sentence of seven years in the penitentiary. The judge is quoted in the news story as saying, in explanation of having done this, that his first inclination was to impose a sentence of one year for each charge. There were 17 charges, so this man could have been sentenced to 17 years in the penitentiary, but the judge was very generous in sentencing him to only seven years. Obviously that judge has not paid much attention to the Fauteux report.

Last year in the city of Toronto a man came forward and admitted he had been guilty of arson. This man was obviously seriously ill and needed intensive psychiatric treatment. The judge again completely ignored the recommendation of the Fauteux commission report and imposed a sentence—I am speaking from memory—of well over 20 years. There was quite a storm about this and a committee of very prominent lawyers was established to work on the case, but this did not help much with regard to the original sentence. We had a case a few years ago in the city of Winnipeg—

Mr. Diefenbaker: Mr. Chairman, before the hon. gentleman continues he ought to complete this matter. The matter came before the court, did it not, and was not the sentence reduced? I think that should be clarified. My recollection is that the matter was considered in the nature of an appeal and the sentence was cut in two; is that not right?

Mr. Orlikow: I thank the right hon. gentleman for his addition. I think he is correct. However, speaking from recollection, even after the appeal the sentence was a very substantial number of years. In the city of Winnipeg just a few years ago we had a case involving a married man with a family, a railway worker, who had never previously been in trouble with the law. It was this time of the year, shortly before Christmas. This man was going to work; he was working the evening shift, as I remember. His wife was somewhat critical because they did not have much money for Christmas presents for the children. Unfortunately for him he left his house early and stopped at the local beer parlour, as they call them in Winnipeg. He had a few beers too many. I do not excuse what he did, but he went to the cashier of the largest theatre in Winnipeg and asked for the money. He had no gun, but he told her he had a gun and asked her to give him the money. He did not wait long enough to get the money; he ran away.

When he was apprehended he was charged with armed robbery, because of course he had threatened her and said he had a gun. The police who put him in jail asked if he wanted his wife to be notified. He said this would only frighten her, so she was not notified. He appeared before the magistrate the next morning. Everything that should have been done under the law was done, technically. He was asked whether he wanted to have counsel, but he said he was guilty

after all so there was no point in having counsel. He pleaded guilty and the magistrate imposed a sentence of four years. I am speaking from memory, but I do not think I am wrong. The first his wife knew about the case was when she turned on the radio and heard that her husband was on his way to the penitentiary to serve a four-year term of imprisonment.

Again I suggest to the minister it is time the judges of this country got into the twentieth century way of thinking about this problem of correction, instead of being better suited, as I think some of them are, to the days of the inquisition. Even if our judges were using more common sense—and I think some of them are—we would not achieve the results that have been achieved in Great Britain, because in that country they have an active and aggressive program of probation which is designed to keep offenders, and particularly young offenders, out of prison. We have a situation here where police chiefs, and indeed judges sometimes, are quoted as saying things which are not true and certainly do not help this situation. Just a couple of weeks ago the chief of police of Ottawa was quoted in both newspapers of this city as saying that the reason for the crime wave in Ottawa was that we are being too soft; that too many people who are out on parole are committing crimes. Of course, the records are clear; this is not true at all. But this is the kind of impression which people who ought to know better are still conveying. It seems to me that if we are to achieve the kind of results which have been achieved in Great Britain we must actively promote a probation system such as that proposed in the Fauteux report.

We have a large number of shared programs with the provinces. I suggest to the minister it is time we looked at the possibility of sharing with the provinces a program of really successful probation. If we do not do it on the basis of humanitarianism, I suggest we do it on the basis of the cold, hard saving of cash. I think the minister knows it costs somewhere between $1,500 and $2,500 a year to keep a person in one of our jails or penitentiaries, while the cost of probation runs somewhere between $50 and $200 a year. Unfortunately we have been too prone, too ready to pay for another building, another extension to a prison or jail in which to lock up people. We have not been ready to pay for the kind of thing that would really bring results; that is, a probation system. So we have the anomalous, ridiculous situation in which several provinces, such as Ontario and British Columbia, have no effective system of probation, while other provinces—Quebec, for example—have no probation system. To my knowledge the province of Quebec has no such system. Then in other provinces, such as Manitoba, they have what is called a probation system, but they lack the properly trained staff to do the job that I think is required. I would suggest to the minister it is time we got on with this very important task of establishing a proper probation system. Even if we had such a system we could not keep everybody out of our correctional institutions.

The last time these estimates were before the committee the hon. member for Vancouver East spoke about our institutions, about the buildings. We have made some progress, but I would suggest to the minister that if he really means business, if he really wants the support of the members of this house in getting the money required to modernize our correctional institutions, he should arrange for hon. members to spend a day, as some of us have, going through St. Vincent de Paul penitentiary. I do not think there is any hon. member of this house who would not be shocked at the conditions in that institution. All hon. members should spend a day there and see how these people live. They may have committed crimes, but they are human beings. I do not think there is a member in the house who, on seeing the conditions in St. Vincent de Paul, would suggest for a moment any reduction in proposed expenditure that the minister would want to make next year.

St. Vincent de Paul is the worst case, but it is not the only one. We have made some beginnings but really the beginnings we have made are infinitesimal. Our institutions are overcrowded. Because they are overcrowded we have no real system of segregation as proposed by every investigating commission which has ever looked into the correctional system in Canada. So you find, Mr. Chairman, in the prisons of Canada drug addicts, embezzlers, forgers, bank robbers, alcoholics, sex deviates, petty thieves and murderers all in the same institution and all sharing the same cell blocks. How can you do anything under those conditions? We cannot blame the staff. We ought to blame ourselves. The staff are doing the best they can in the conditions under which we expect them to work.

The Fauteux report recommended that the federal government take care of all prisoners whose sentence is more than one year, and that the provinces look after prisoners who have sentences of less than six months. But the federal government, although endorsing the report in principle, has so far refused not only to adopt this principle but to set the date when they will adopt it. The result is

that provinces which want to do the job say they cannot plan their programs until they know what the federal government intends to do and when it intends to put this kind of provision into action. Some provinces which have not been very enthusiastic about taking on the job, and I include my own province of Manitoba in that category, have found this to be the perfect excuse. The attorney general of Manitoba has said on a number of occasions that we were not going to go into any expensive building program until that province knows when the federal government will take on the job, and when the responsibility for it is clarified. Despite the fact that we are a long way from meeting the present needs, I suggest that the federal government should set a date when it intends to go ahead with this recommendation of the Fauteux report.

No system of correction can really be any better than the staff. You can have the best building in the world, but if the staff is untrained and is thinking in terms of incarceration and punishment instead of rehabilitation and correction we will never turn the corner and begin to solve the problem. We will never reduce the number of inmates in our institutions as they have in Great Britain and other countries. It is an amazing thing to me that this country can find the money to hire trained engineers to build the buildings we need and the roads to our resource developments; we can find experts in agriculture and do research into how to get better hogs, a better grade of wheat and how to get better fruit. I am not being critical of these things because they are required. But when it comes to finding people who are trained in the much more important field of how to rehabilitate people and improve people, we have almost been completely remiss. And of course we have no money for this.

If anyone doubts this, let him look at the answers which the minister has given this session and last session with regard to questions which have been put down regarding staff in our institutions. We have 26 penitentiaries. I put down a question not long ago asking for the names of the wardens. After all, a warden is the key man in any penitentiary. I asked how long they had had their jobs, what were their qualifications. I am not going to read a long list into the record, although I think it would be worth while to do so, but of the 26 wardens in Canada, according to the minister's reply two of them have a B.A. degree, one an M.A. degree, one a teacher's diploma and one a diploma in agriculture. According to my total, 21 have no formal training at all, or no better training than that which I have mentioned. After looking at the qualifications of these 21 wardens, what does the minister say about them? They have had army training or they have had police training. I do not want to be critical of the training that a man gets in the army or in the police. If our correctional institutions are merely institutions of punishment, merely institutions for incarceration, I agree that a person who has had army training and training in police work would probably make a very good warden. I am not criticizing these people individually, I am sure they are doing the best they can. But if we are really thinking in terms of rehabilitation as suggested by the Fauteux report, I suggest that people with this kind of background, education and training who staff our penitentiaries simply cannot do the job.

I asked the minister the question whether all custodial officers in our correctional institutions receive training in the behavioural sciences by qualified professional staff, and the answer was very simple, with no argument about it. It was one word—"No"; that they do not. We have nothing in the estimates concerning training grants or bursaries in the field of correctional training, so even the people now on the staff or doing social work, or work in psychology or sociology, who want to go into the field could only get the training, paid partly by the federal government, on condition that they came to work in our institutions when they finished their training. This is a step which various provincial governments have taken, but we have done nothing in this direction.

Of 19 positions for psychologists in the establishment, only nine are filled according to the answer the minister gave me some time ago. Of those nine, five of them had only a B.A., three an M.A. and one a Ph.D. I want to suggest that the number is much too low and the training they have is completely inadequate to do the kind of job that people much better qualified than anyone in this house have said over and over again is required, if we are to have a modern correctional program. We have only eight psychiatrists on the establishment. I do not know how many they concede there are, but to the best of my knowledge not one of them is full time.

At the present time a murder trial is going on in the city of Quebec. On trial is a man named Dion. I have just been told he was sentenced to death today. I do not want to say anything about his guilt or the crime he committed, but I think it is significant that this was not the first time he had pleaded guilty to that type of offence. It was not the first time he had been in a penitentiary. The

reports which our vastly understaffed psychiatric departments had given on previous occasions were that this man was a very severely disturbed and ill person. How much psychiatric treatment did this man have, may I ask, before the parole board recommended his release?

I am not being critical of the parole board. I want to make that clear. I am not being critical of the psychiatrists. I have met the man who is on the staff of St. Vincent de Paul penitentiary, Dr. Cormier, and he is a really competent psychiatrist. But he works, I believe, only three mornings a week. How much can he do on this basis in an institution of that size? I want to suggest that if anyone is guilty of the murder of these boys it is the governments of Canada, the parliament of Canada and the people of Canada who have refused, in the past, and who have refused until this day to provide the specialist scientific staff which is required in a system such as ours.

The Fauteux report stated that the cornerstone of a modern correctional system is the classification staff. I want to read examples of the kind of classification staff we have recruited to do this work. It is true, we have made a beginning. We have the beginnings of a classification staff, the beginnings of a new system. The minister answered some questions which I put to him some time ago and I want to read some examples of what has been done. I am not being critical of these people. We get the people we ask for. The qualifications are those we set and, what is more important, we are getting the kind of people we are prepared to pay for. Obviously, we are not paying very much. Here they are. At Dorchester, the classification officer spent one year at university plus attendance at classification staff college. At Dorchester farm camp the classification officer is a high school graduate. These are the kind of people we are putting on the job, though the Fauteux report says classification is the cornerstone of the system. At the Blue Mountain institution the classification officer has almost completed his studies for the degree of B.A. At St. Vincent de Paul the classification officer has grade 12 plus university courses in criminology. Another has grade 10 plus some university courses.

At Kingston penitentiary the classification officer has three years attendance at university plus courses under the penitentiary program. A classification assistant has grade 12, plus courses at the penitentiary. Two classification assistants have senior matriculation, plus courses, and another classification assistant has grade 10. At Collins Bay the classification officer has two years attendance at university plus courses; at Landry Crossing correctional camp the classification officer has junior matriculation; at Joyceville institution the classification officer has senior matriculation; at Manitoba penitentiary the classification officer has two years attendance at university, and at the Manitoba farm camp the classification officer has grade 11. At the Saskatchewan penitentiary the classification officer has a grade 10 education, at the William Head institution he has senior matriculation, and at the Agassiz correctional camp the classification officer has a high school education—I assume that phrase means he did not even graduate from high school.

Once again, let me say that I am not being critical of these people. We are responsible for the kind of people we have working for us in these institutions. I suggest that while we have a situation of this kind we have not even begun to nibble at the edge of the problem which faces us.

The Fauteux commission recommended that there be a presentence report.

The Chairman: I regret to interrupt the hon. member but his time has expired.

Mr. Winkler: It is not my intention to delay the committee for any length of time and I have taken this attitude in all cases with regard to the balance of these estimates, but a situation has arisen since last April with regard to my constituency with which I feel obliged to deal, and I am sure the minister will know whereof I speak. In the concluding minutes of my contribution it may seem as if I am being somewhat irrelevant but I trust you will bear with me, Mr. Chairman, because my remarks will have a definite relationship to the balance of my words.

First of all, let me say there is a considerable degree of agreement everywhere in Canada that a greater degree of fundamental progress and reform took place in the general field of justice under the Conservative government than in any period of Canada's history prior to that time. Under the capable and aggressive administration of the former minister of justice, the Hon. Davie Fulton, stimulated by the well-known interest taken in this field by the former prime minister himself, the important and long overdue steps then taken included improvements in the administration of justice in Canada, reorganization and modernization of the federal penitentiary system and the correctional program, a new and effective approach to the problem of narcotic drug addiction and the traffic in barbiturates, a new law on capital murder, and several important amendments in the field of criminal law generally.

I have the details here before me, but I shall desist from taking the time of the committee by referring to them at greater length for the reasons I have previously mentioned. I wish, however, to make a brief reference to the advance which was made under the direction of the former minister in the field of prison work camps. The value of this work has been proven many times since it was undertaken, and it is the result of the policy which was so vigorously followed by the minister of that day. I also have before me a number of well documented articles and editorials by various organizations, and others interested in this work, acknowledging the tremendous steps forward which were taken under the direction of the minister of that day.

I also have a copy of the speech which was delivered by the former minister of justice, Mr. Fulton, on the occasion of the opening of the Joyceville institution. In the course of this speech Mr. Fulton indicated that the work of prison reform involved not only the officials of a penitentiary but the public as a whole. The rehabilitation program which the minister sought to bring about at that time was, in effect, made possible as a result of the change in the thinking brought about by the Fauteux report. I refer particularly to the section in which it is stated that federal and provincial governments should proceed as quickly as possible with the establishment and maintenance of special types of institutions for the treatment of various types of offenders. The minister of that day initiated action in this regard by setting up a committee to study the problem and bring in recommendations. I believe it was determined that the inmates of our institutions would be regarded in a somewhat different light; that there would be a change in the attitude taken toward them. The minister of that day tended to favour a program of lessened security. I believe the program, generally speaking, favoured medium security institutions, or institutions where security was even less, and he proceeded quickly in this regard. I believe he indicated in that speech at Joyceville that this type of reform in the treatment of inmates was long overdue and that it had been proven that these people could be rehabilitated in a much more sensible and satisfactory manner if they were handled in this way.

In order to save the time of the committee I will not refer in too much detail to the remarks of the minister of that day, but I should like to point out that he did state this at Joyceville:

> By far the largest part of our penitentiary population does not require detention in a maximum security institution, yet the vast majority of our prisoners are kept in just such conditions. We do not need that type of accommodation. We do need more medium and minimum security institutions into which we can send carefully selected inmates to undergo carefully planned treatment and training.

Further on he stated:

> It is here that our new parole system has its principal role.

As hon. members know, of course, he moved quickly in that direction. In the course of his tenure of office he made certain announcements that were indicative of the progress he intended to make. His thinking and the thinking of the departmental officials were based on two main premises. The first was to arouse in the people of Canada themselves an interest in this long neglected branch of government and to make Canadians aware of their responsibilities in this respect and of their continuing fight against crime. The second was to implement reforms and provide new facilities and programs which had been worked out during the same period.

Accordingly, Mr. Chairman, about the time of the election campaign of 1962 the minister visited my constituency and announced the construction of a project somewhere in the area of the villages of Markdale, Flesherton and Dundalk. I hold in my hand a copy of the Flesherton paper of Wednesday, May 16, 1962 in which is reported the announcement by the minister of the construction of a $4 million project with a yearly payroll of approximately $1 million. That project was to be built in that particular area.

Because of the necessity of proceeding with this project at that time my Liberal opponent also thought he should endorse it. Accordingly, in an advertisement in the issue of June 13 of the same paper he assured the people of that area that if they were interested in the construction of such an institution their wishes would surely be fulfilled when he was elected. Obviously that was the thinking of the people in the Liberal party at that time.

I come to an area now where my remarks may possibly be slightly irrelevant, but I would ask hon. members to bear with me because what I am about to say has a definite bearing on the program that is being followed. As the minister knows, I have discussed this matter with him personally and I honour the privilege of interviews with him for the purpose of discussing it. You will know, Mr. Chairman, as will other members of the committee, that at that time several medium security institutions of this nature were planned, one for the constituency of the hon.

member for Bow River, one for the constituency of the hon. member for St. Hyacinthe-Bagot and another one which I believe has actually proceeded. It is my understanding that as of the present time the others have been terminated, after some expenditure of money.

The important factor is whether the thinking of the department has now changed. Have they returned to the thinking that such a program is not the type of program to be followed? Are the institutions now in the planning stage to be maximum security prisons and is this the reason for the cancellation of the institution for my constituency? When I think of all the acts of patronage that have taken place, I wonder whether patronage is not creeping into the Department of Justice. I have very good reason for saying this.

As the minister knows, my Liberal opponent in the last campaign was down here pleading for the construction of this institution in my constituency. Therefore he agreed with the thinking of the minister of that day and with my own desires. Not only did he come to Ottawa but he brought the Liberal organization with him. In addition to the plea of the Liberal candidate, I understand that the provincial Liberal member for the constituency north of mine has also been pleading for this institution. I believe that the present leader of the Liberal party in the province of Ontario was also here pleading for this institution.

This is a very peculiar state of affairs. I believe the reason for the withdrawal lies in the fact that the minister has intimated that such an institution must be a maximum security prison, and therefore cannot be constructed in that part of the country because the lines of communication are too far removed, and as these criminals are hardened types they must be kept under tigher security. If this is the case, I suggest that the present minister review some of the thinking advanced by the minister of that day, and he will find that his thoughts on the matter are very basic, directly relevant to the findings of the Fauteux report and should be carried out, I believe. I think it is not too far fetched to say that the fresh air in my riding would do such people a lot of good, rather than keeping them in some area of southern Ontario where the lines of communication may be a little shorter but where traffic is heavy. So far as hardened criminals are concerned, I think my area would be a very good one in which to rehabilitate them, rather than putting them in the large and overcrowded institutions which exist today.

I have mentioned people who have made representations in this regard. It may be a peculiar thing, but I remember the present leader of the Liberal party in the province of Ontario saying how kind and considerate the Conservative government had been to him. I must say he was probably referring to the provincial government, but thank God he has to deal with an organization like the Conservative government in the province of Ontario because he knows, as does everyone else who has beaten a path to the minister's door, that there is no use coming to Ottawa.

[*Translation*]

Mr. Choquette: Mr. Chairman, I just wish to say a few words about the estimates of the Department of Justice now under consideration.

First, I would like to extend well deserved congratulations to the head of that department, because the minister is a man who fulfils his duties with great dignity and honesty; he is a very distinguished parliamentary figure and it is not too much to say that we are very proud of him.

Mr. Chairman, the matter I want to deal with as briefly as possible is the famous Coffin case, which is creating quite a stir in the province of Quebec. The matter was raised for the first time in the house last week, if I am not mistaken, when I asked the Minister of Justice (Mr. Chevrier) if he intended to take special measures following the publication of a very contentious book, not to say slanderous, about some persons of rank. The minister answered me quite properly that this matter came under provincial jurisdiction.

Mr. Chairman, this famous case, now known as the Coffin case, causes as much turmoil as the Dreyfus case which happened many years ago but is still referred to. I wonder whether the federal government would not be well advised to institute an inquiry into this matter, even if it comes under provincial jurisdiction, because it would not be infringing in any way the provinces' prerogatives, since the following provision can be found in the Canadian Bill of Rights which is federal legislation:

> It is hereby recognized and declared that in Canada, there has existed and shall continue to exist without discrimination by reason of race, national origin, colour, religion or sex, the following human rights and fundamental freedoms, namely:
>
> (a) the right of the individual to life, liberty, security of the person—

Mr. Chairman, if there was a miscarriage of justice as stated forcibly and violently by Mr. Jacques Hebert, it means that an attempt was made on the life of a man and that his life was even taken wrongfully which is a violation of section 1 of the bill of rights and consequently, it concerns the central government.

On the other hand, Coffin's conviction was maintained by the Supreme Court of Canada, our court of last instance, which exists by virtue of a federal act, the Supreme Court Act.

Finally, Mr. Chairman, the persons involved in that case are treated by the author, not as guilty people, but as murderers: "I accuse the murderers of Wilbert Coffin", he says, and there cannot be any stronger title; among those murderers accused by Jacques Hebert there is a respectable and honest judge of the Quebec court of appeal who was appointed by the federal government.

Mr. Chairman, all those reasons, in my humble opinion, call for action by the federal government.

I think it is most important that the whole population have unswerving confidence in all our institutions, whatever the authority concerned. If the general public has no trust in the value and the efficiency of our judicial institutions, then I say that order, peace and good administration are jeopardized in Canada; and order, peace and good administration in Canada come under the jurisdiction of the federal authorities.

Those are the reasons why I humbly and earnestly submit that the central government should institute an inquiry in the Coffin case.

Mr. Lessard (Lake St. John): Mr. Chairman, as we are discussing the estimates of the Department of Justice, I cannot help thinking about certain problems which have recently beset Canada and greatly affected our fellow Canadians. I am referring to the combine problem, and more particularly to the sugar monopoly.

If I mention that particular commodity, it is because I want the Minister of Justice to know that, while he is hiding behind technicalities, according to which price fixing comes under the exclusive jurisdiction of the provinces, the fact remains that in this particular case—the rocketing sugar prices we have known since the beginning of the year—the Minister of Justice had a very definite responsibility and that he could, under the Combines Investigation Act, that legislation the purpose of which is to fight monopolies, have ordered an inquiry which would have shown Canadians what intrigues were behind that shameful speculation.

I say "shameful speculation" because figures quoted in this house, show that Canada's supplies of raw sugar were the same as the preceding years, that there was none of that so-called shortage on the international markets, and that the production of this commodity was fairly good in all producing countries.

I believe, Mr. Chairman, that as far as sugar is concerned, our population has been left to the mercy of greedy speculators, who took advantage of the fact that Canadians cannot do without sugar. It seems that these speculators had the benediction of the authorities to shamelessly go on taking unfair advantage of the people.

So I call the attention of the Minister of Justice on this matter. I am convinced that he cannot get away with it so elegantly, if we consider that profits in the hundreds of millions of dollars were made by some firms in this speculation which lasted only for a relatively short time.

I also wish to call the attention of the minister on a matter in which I am especially interested. I mean juvenile delinquency. Perhaps the minister will tell me that this is also a responsibility of the provincial courts. I feel, on the contrary, we are responsible also as members of parliament because we cannot divest ourselves of our obligations in that respect. I suggest we are all directly concerned with the problem of juvenile delinquency in Canada.

However, it is appropriate to ask ourselves what our responsibilities are, who is responsible and what are the causes of this increase in juvenile delinquency in our country.

I have come to the conclusion that the present irresponsibility of parents towards their children is a direct cause of juvenile delinquency.

Because of present economic circumstances, fathers and mothers have to work at jobs in which they are under such a nervous strain that they have to take several hours of relaxation during their free time.

It is my feeling that they work only to provide for their children and to increase the family income. That may also be one of the reasons why parents have abandoned part of their responsibilities concerning the bringing up of their children.

But it is probably not the field in which our joint responsibilities are the greatest. I shall therefore proceed by stages in this scale of values. And the next one, in my opinion, is the system of censorship which is definitely inadequate at present. The producers of films shown in movie-houses and on television seem to have only one purpose: to depict as heroes those who succeed in breaking law and order.

Those movies are also shown at certain hours when very young children are listening and can observe the behaviour of those characters. They are very impressed and, as a result, the inbred taste for adventure in all youngsters is increased, which prompts them to imitate and go through the same motions,

without realizing, on account of their age, the important implications that those thoughtless actions can have in the future.

I think that the censorship of films shown on television and in our cinemas should be reconsidered and reassessed if we earnestly wish to raise the moral standard of the population.

There is also another dangerous medium for youth. I am thinking about the yellow press or these famous scandal sheets, as they are commonly called. They do not care about the effects which sadistic pictures occasionally published may have on young people.

To refer to a well-known one in Montreal, let me mention *Allo Police* with its publication of morbid news items. This scandal sheet is immunizing our youth against wholesome reactions they they should experience in such cases.

Here again, we realize that it is enormously difficult to control those newspapers and that it is the duty of the people themselves to discharge this responsibility as individuals by refusing to patronize them.

On the other hand, we know that the mass of the people can unfortunately be very easily influenced by the advertising media, by everything which appeals to the sight or the ear.

I believe that it is the duty of parliament to check the eagerness of those in pursuit of a goal which is far from being commendable, who do us almost incalculable harm and multiply our problems by obliging us to spend public funds to build institutions which they contribute to fill by the way they comment and present the news in general.

Mr. Chairman, I believe an article which was published in a newspaper in my district gives a typical example of the state of mind in which our population lives at the present time. That article was written by Mr. Germain Tremblay, who was making some comments concerning the recent crash of a T.C.A. DC-8 near Montreal. Here is what he wrote:

> At a time when most Quebecers felt a deep and intense sympathy towards the victims of the DC-8, that some other persons happened to indulge into gross vandalism and pure and simple acts of robbery does not fail aggrieving us more and adding to our concern as responsible and answerable members of a humanity, the nervous system of which is incessantly taxed to the maximum by all sorts of unlikely catastrophes and tragedies. We live seemingly at the epidermic level.

And further on:

> To quote just one example, we find that the reading of a newspaper like *Allo Police* has too many adepts among our people and that it is not such as to soften our manners. Apparently, that sheet and some other weekly sheets of the same nature contribute to the line-production in the "Belle Province" of experts in the sordid and the unusual. There is nothing more disheartening in misfortune than the moment when we have to lose hope in men themselves. Those we should pity are not always the dead. Very often, they are the quick. We can be so stupid when we want to.

Mr. Chairman, I felt I should quote that thought because it shows to what a degree has been impressed upon the minds of our population that sense of the unreal accompanied by a complete lack of the sense of values, since certain individuals, in order to have souvenirs, went so far as to go and rob the victims of that tragedy.

[*Text*]

Mr. MacNaught: Mr. Chairman, could I have the hon. gentleman's consent to interrupt him for a moment? The acting chief government whip has two very important motions to make concerning changes in the personnel of committees which are scheduled to meet tonight. In order to permit him to make those motions I move that the committee rise, report progress, and ask leave to sit again this day.

The Chairman: Shall I rise, report certain resolutions, and ask leave to sit again later this day?

Some hon. Members: Agreed.

Resolutions adopted in committee of supply this day reported and concurred in.

SUPPLY

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

DEPARTMENT OF JUSTICE

1. Departmental administration including grants and contributions as detailed in the estimates, $1,378,100.

The Chairman: Order. It being six o'clock I do now leave the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 7 p.m.

The Chairman: Order. House again in committee of supply on vote No. 1 of the Department of Justice.

[*Translation*]

Mr. Lessard (Lake St. John): Mr. Chairman, before recess, I was reviewing the main reasons for the increase in juvenile delinquency. I mentioned in particular the social and economic conditions which make families, as well as the press, radio, television and films, refuse to assume their responsibilities.

I leave this subject by underlining a major factor which, in my opinion, is responsible for the situation that exists now: I mean our economic system which does not hold any hope for our young people who see their future darkening because we, who are now entrusted with the nation's business, keep on increasing the public debt which they will have to bear and reimburse later.

I think that this economic situation in which we live is to a great extent—

The Chairman: Order. I am sorry to interrupt the hon. member for Lake St. John, but it seems to me that he is straying quite far from the subject matter of the resolution now under consideration by the committee when he talks about the country's economic situation.

Mr. Lessard (Lake St. John): I agree with you, Mr. Chairman, but I think that a certain link can be found between the responsibilities of the Department of Justice with regard to juvenile delinquency and the reasons for it. I feel that the Department of Justice can, in its own field, point out to the economic and administrative sectors, the reasons for the problems it has to deal with at the present time.

In my opinion, the present economy of this country does not offer to our young people the advantages they are entitled to expect; that is the reason for this problem we now experience: juvenile delinquency.

To conclude, I should also like to mention that judges, when they met in Quebec city, admitted the weakness of our system as far as institutions where sentences can be served are concerned. In my opinion, judges have no choice when they have to pass a sentence. As a matter of fact, they must sentence offenders to a term in a penitentiary or in a prison. I suggest that the government should generalize in Canada, as it had been undertaken, the setting up of those institutions that make it possible to rehabilitate the young and not so young people who, in fact, constitute not only a burden for society but also a loss, since we deprive ourselves of the services they might render if they were rehabilitated.

Mr. Caouette: Mr. Chairman, we begin consideration of the estimates of the Department of Justice. They amount to a total of $30,748,000 for a department with 3,559 employees—I believe that the bench, at all levels, is included.

Although the incumbent of the Department of Justice and myself are politically in complete disagreement, I must admit that he is competent as far as the administration of the Department of Justice in our country is concerned.

[Mr. Lessard (Lake St. John).]

This afternoon we heard several members successively and I would be remiss if I did not mention, for instance, the member who spoke on behalf of the N.D.P. about our penitentiaries, because it is important to reorganize them so that the directors of these institutions be, not professional executioners but educators.

We must by all means see, above all, to the rehabilitation of our young people who, for one reason or another, have to spend some time in those penitentiaries, in whatever province it may be.

We have received, on many occasions complaints concerning the treatment given to some prisoners, chiefly young people, as one must admit that inmates in those penitentiaries are mostly young people from 20 to 30 years old.

Mr. Chairman, I call upon the Minister of Justice to consider this question of prime importance most carefully. The staff of those penitentiaries must include educators, as I said, men and women of great ability who can come to an understanding and communicate with other human beings.

Very often in the past parolees became habitual criminals. Why? Because they had no chance to rehabilitate themselves and because, instead of being taught moral principles during their term in the penitentiary, their morale was undermined by the sombre perspective they were shown of going back to a society where there was no place for them.

I should also like to say a word about a point which the hon. member for Lotbiniere (Mr. Choquette) raised this afternoon, that is the Wilbert Coffin case which puzzled and still puzzles the average Canadian citizen.

The accusations in Jacques Hebert's book constitute an attack against the judicial organization in our country. The judicial organization of Canada finds itself today, if not undermined, at least badly damaged by violent statements and attacks against the administration of justice in one of this country's regions.

That is why I endorse the request of the hon. member for Lotbiniere when he asks the Minister of Justice to institute a royal commission to inquire into this particular case. I suggest that, in the present circumstances, such an inquiry is in order and is becoming increasingly so. Our whole judicial structure is attacked, dragged through the mire, and there is a point beyond which we should not allow things to go.

If Mr. Hebert is right, let the government find the evidence. If he is not right, then Mr. Hebert becomes himself a sort of moral assassin of our judicial structure in Canada.

I feel that the Canadian Minister of Justice does not have the right to tolerate or put up with a book which directs fantastic accusations againt judges and lawyers.

Therefore, that royal commission should be set up, so that the Canadian public does not lose confidence in our judicial structure and the administration of justice, not only in the province of Quebec but in the country as a whole.

Mr. Chairman, I should now like to deal with the parole of prisoners. It will cost the Department of Justice $701,500 to administer the Parole Act.

On many occasions, complaints have been made about paroles being granted too easily in some cases. As a matter of fact, the Dion case was brought up before supper and I believe this criminal was sentenced today to be hanged. Dion was paroled once or twice, if I am not mistaken. Finally, after being charged with the murder of youngsters of 11, 12 and 13 years—there were four, but we mentioned only a few—Dion is now sentenced to hang after succeeding in evading, so to speak, the law of the province and of the country.

Now, occasionally some young people are condemned to six months, a year or two, young people who were arrested following a burglary, car theft, armed robbery, theft committed wearing a mask. Among them are young repeaters who in several cases were led astray when they were quite young. While habitual criminals sometimes manage to obtain their parole, some of those young people can hardly manage to do so, even when favourable reports are given by the judge who heard their case, by the parish priest, by clergymen of some municipalities or districts, by relatives or employers who are willing to hire them.

It appears to me that we should examine more thoroughly and carefully the requests for parole which are submitted to us or to the Minister of Justice in the case of many of our young people who are now in jail. This does not mean that we should give our blessing to the vandalism of those young convicts. Not at all. But I am of the opinion that after a stay of a few months in prison, many of those young people change their mind and become honourable citizens afterwards, citizens who understand the implications of their actions. I maintain that most of them have committed thoughtless deeds because they had joined a gang or a group of young people of their age, which was often dominated and led by elders—and it is in this manner that those young people have become involved.

Now, the parents must be taken into consideration and also the family circle where those young people evolve. If the possibility of an easy rehabilitation is seen for them, if they seem to show regret as sincere as possible and a desire not to repeat the same actions, it seems to me that they should get better consideration from the Minister of Justice.

Mr. Chairman, in the estimates of the Department of Justice, there is also an item concerning the administration of the R.C.M.P. On that score, I wish to call the attention of the Minister of Justice on a fact which happened in Quebec city some ten days ago. A certain Mr. Jos. Gignac had secured a $5,000 loan from the Central Mortgage and Housing Corporation and he was paying it back at the rate of $100 a month. He experienced financial difficulties and undertook to pay back the corporation at the rate of $30 a month, and that, for the last five or six months. However, some ten days ago, while the balance due by Mr. Gignac was $507, an R.C.M.P. officer from the Quebec division, under the direction of a Mr. Poirier, arrested Mr. Gignac and put him in a cell, ordering him to pay the total amount of $507, otherwise he would remain in jail.

Apparently, the individual named Poirier, a very zealous member of the Royal Canadian Mounted Police, uttered threats against Mr. Gignac, saying that he would serve several months in jail should he not pay the amount of $507. Fortunately, somebody came to Mr. Gignac's rescue and paid the total amount, thus allowing him to recover his freedom.

I wonder under what section of what legislation a member of the Royal Canadian Mounted Police can arrest and imprison a man simply because he does not discharge the monthly $100 payments he undertook to make to Central Mortgage and Housing Corporation.

I have the greatest respect for the R.C.M.P. I imagine it is the most famous police force in the world since it is given as example in the whole world, but among its members may creep some zealous people of Mr. Poirier's type, who threaten the people they meet or rub shoulders with behind bars.

I point out this case to the attention of the Minister of Justice to let him know that Mr. Gignac was imprisoned because he had not paid the monthly $100 he owed Central Mortgage and Housing Corporation.

Mr. Chairman, it was said a while ago that Canadian penitentiaries should be rehabilitation centres rather than correction centres. I agree with that. It happens that small thieves are condemned to one or two years in jail because they broke down a store door. They are given a good talking to and urged not to commit again the offences for which they were condemned. On the other

hand, there are others who should be the subject of a very special attention from the Minister of Justice and be put behind bars too, especially when there is evidence that they did not steal only from stores, taxi drivers or banks but from all the population. I refer to the sugar trust.

It was suggested this afternoon that a fine be imposed on those cartels, those "controllers", those cartel and "trust" owners. A letter received by the hon. member for Burnaby-Coquitlam (Mr. Douglas) was also read to us which proved beyond any doubt that exorbitant prices were being imposed on sugar, whichever trust was involved. But the trouble is that, should the Minister of Justice decide to prosecute those people, make them pay a fine of $25,000 or $50,000, then they would go back to where they came from as if nothing had happened. A fine of $250,000 or $25,000 means nothing to them because, upon their return, all they would have to do would be to raise the price of sugar by one half cent, one quarter cent or 2 cents per pound.

Because, then, it is $1,000,000 which goes into their bank. Therefore, it is no punishment for them. However, there is a way to prevent trusts and cartels from exploiting the Canadian people. When we are confronted with the man responsible for a trust on sugar or some other commodity—let us amend the legislation so as to put him behind bars for 10 years. I assure you that once behind bars, the "controller" in question will think about it twice before exploiting the people again when he goes back to his usual business, whether selling sugar or engaging in any other sector of the Canadian economy.

Mr. Chairman, we have little thieves, but we also have public thieves. They are the ones who jeopardize the economic security of this country. They are the ones who prevent the poor from shaking off their poverty and impose hardships to human persons who do not deserve them. As it was demonstrated, the price of sugar is twice as much in Canada as in the United States. This situation is certainly not normal. We have been discussing the sugar situation in this house for three months, and the more we discuss it the more the people who control the sugar trust go on raising their prices, in order to take more unfair advantage of the people.

That is the reason why I ask the Minister of Justice to amend the legislation, so that those trust controllers might be sent to jail. Then we would enjoy greater freedom.

I understand that some trusts may help support election coffers. In all likelihood, this support to election coffers prevents the present Minister of Justice, as was also the case for past ministers, to take action, but we, in our group, are not backed by the same coffers. We enjoy a greater freedom and this is why we denounce these swindlers and these trusts throughout Canada.

I appeal then to the Minister of Justice who, I believe, wants greater justice for all Canadians. We have a responsibility to help the oppressed and to safeguard them from the attacks of financiers and of trusts that prevent the human person from knowing self-achievement in a country like ours.

Mr. Pigeon: Mr. Chairman, I would like to say just a few words, so as not to delay the passing of the minister's estimates.

I may have made somewhat bitter remarks in the past against the minister, but I am pleased to avail myself of this opportunity to congratulate him for his appointment, which is well deserved on account of the services he has given the country for a little more than 25 years.

I wish to tell him that he has chosen a very efficient staff. I had the occasion to seek information from his two executive assistants, Mr. Lord and Mr. Denis, lawyers both, and I have always been answered in a courteous and conscientious way.

I would also like to ask the minister whether he intends to amend the Criminal Code in 1964, so as to allow the provinces to establish lotteries if they wish to. I know that there are provinces which do not agree about such a thing at the present time, but the federal government often assumes positions which do not require the provinces' unanimous consent.

My second question is this. At a recent meeting in Banff, Alberta, the minister announced that the government was considering the convening of a conference, in 1964, to amend the British North America Act. I should appreciate it if the minister would tell the house what he means by the word "amend". Will the objective be the strengthening of national unity? What amendments does he have in mind?

I wonder also whether it would be possible for the Department of Justice to examine a problem which exists throughout Canada concerning the C.B.C. Indeed, certain provinces complain because they have no right of censorship over the films shown on television.

In fact, I remember that on one occasion the C.B.C. presented a film on its network shortly after the authorities of a western province had forbidden its showing in theatres.

I would also like to ask the minister if it would not be possible to amend the legislation soon, in order to stop this great number of n.s.f. cheques the payment of which is

refused by the bank owing to insufficient funds. Those cheques are a plague at this time everywhere in the country. I wonder if there would not be some means of passing legislation similar to that now in force in Switzerland. In fact, under the provisions of that legislation, whoever writes a cheque without sufficient funds is immediately placed under arrest and brought to court. I believe that the adoption of such legislation would prove beneficial to society.

Mr. Chairman, as far as Mr. Jacques Hebert's book is concerned, I do not think that we should give it too much attention, because this author specializes mainly in sensationalism. One must not let oneself be carried away by whatever he writes, because this is an existentialist author, and he delights especially in writing sensational material and in trying to revive old stories.

In my opinion, the minister was wise to ask the experts of his department to examine the book instead of setting up immediately a royal commission of inquiry. In fact, if he feels that the question is doubtful, it might be advisable to have competent lawyers study the Coffin case, before an investigation is launched, to prevent boosting the sale of Jacques Hebert's book by excessive publicity. Indeed that is the author's objective. Afterwards, the file could be closed if the experts so recommend. I would like it very much if the minister would answer those few questions.

Mr. Choquette: Mr. Chairman, would the hon. member for Joliette-L'Assomption-Montcalm allow me a question? Does he not find the question serious enough—

[*Text*]

The Chairman: Order. I have recognized the hon. member for Skeena and given him the floor.

[*Translation*]

Mr. Howard: Mr. Chairman, when a minister introduces his estimates for the first time, it is customary to congratulate him on his appointment. Right now, I do not quite know whether I should do just that by congratulating the Minister of Justice (Mr. Chevrier) or whether I should wish him farewell.

Mr. Chevrier: At any rate, it is well said.

[*Text*]

Mr. Howard: Mr. Chairman, it is obvious that that is the extent of my knowledge of the language in which the minister is so proficient, because I will have to wait until I see the translation to discover what he said in rejoinder.

When the hon. member for Winnipeg North spoke he outlined the views of the members of the New Democratic Party very ably and well, and I simply want to say in passing that I endorse them. He indicated that the emphasis within penitentiaries should be on rehabilitation or reform, rather than on dispensing justice and carrying out sentences merely for the sake of carrying them out. It seems to me still, as it did a few years ago, that the penitentiaries branch is perhaps more interested in the soul of the inmate in prison than in what he will do when he gets back into society again. We spend more money for and employ more clergy than psychologists. I understand there are some nine full time psychologists on the staff of the penitentiaries branch and not a single full time psychiatrist, but there are 22 full time ministers or priests to minister to the needs of inmates. If we would alter that situation a bit and spend more money on psychologists and rehabilitation, those gentlemen and ladies who are now inmates of prisons would have a better chance to get to that place where the members of the clergy want them to go after they leave this earth.

In my view there is not too strong a desire on the part of members of parliament to pay more than passing attention to affairs within the penitentiaries, or to penological matters. In that regard I am reminded of the fact that since our native Indian people have been given the right to vote in federal elections there has been a marked increase in the interest by political parties and candidates and members of parliament in Indian affairs, because the Indians are a group of voters now. This has been beneficial, because it means that parliament and members of parliament are better informed about Indian affairs. It seems to me that we might expand this idea and perhaps give the inmates of prisons the right to vote in federal elections. If such were the case, I am sure the prisons would be filled with members of parliament wanting to find out how these people were going to vote, and in the process members of parliament would discover some of the problems within prisons. The result might be a better attitude toward prison matters than exists at the present time.

I should like to deal with only one aspect of the activities of the Department of Justice, which has to do with two sections of the Criminal Code. There is one section which I think is a most shocking invasion of the rights of the people of this country. I refer to section 660, the so-called habitual criminal section providing for the imposition of a sentence of preventive detention, which is in effect a life sentence.

A person may be charged, if that is the proper expression, under section 660 of the

code if he has been convicted on three separate occasions since the age of 18 years of indictable offences for which he has received a sentence of five years or more. If this can be proved to the court he can then be sentenced to life imprisonment, or as a so-called habitual criminal receive a sentence of preventive detention.

Even though this provision has been on the statute books for some 13 or 14 years, I submit this is wrong in principle because in fact it is a process by which an individual may be sentenced twice for the same crime. He may receive a sentence which in fact is the third of a series of sentences he has received since the age of 18 and then find he is subject to being charged as a habitual criminal and may be so charged and found guilty under that section. I am not sure of the legal terminology used with regard to this section. I do not know whether the individual is charged, found guilty and sentenced or whether there is merely an application to the court for the imposition of such a sentence. However, in essence the individual may find himself sentenced to a certain number of years on a specific charge and then find later that an application has been made to the court to sentence him again for exactly the same charge, plus two or more other charges for which he has already been sentenced and with regard to which he has already paid his penalty.

I submit this is sentencing the individual twice for the same offences; and in addition the sentence of preventive detention is based to an extent on future crimes that might be committed, because reference is also made in the statute to the individual habitually associating with other criminals or normally leading that sort of life. This section of the code is not confined to crimes of violence such as sexual offences or crimes of violence such as armed robbery or assault. It covers the whole field of indictable offences, and because it does its impact falls more heavily upon certain sections of our so-called criminal society than it does upon others.

I am thinking primarily about the impact of the status of habitual criminal as described in the code upon those unfortunate people who are narcotic addicts. These people, because they are narcotics addicts and because of the rather stupid policy adopted in the past towards narcotic addiction, are pretty well doomed to a life of narcotic addiction, whether they are in prison or out of it. Under this section a person may well find that he could receive, for one indictable offence, a sentence of five years if the crime with which he is charged carried a sentence of five years. Then, he could discover later that, even though he had been sentenced to the maximum for the particular offence with which he was charged, he was confronted with a life sentence under the habitual criminal section of the code. He might, on the other hand, find himself having been charged with an offence which, for the sake of argument, carried a life sentence, such as trafficking in narcotics, and the presiding judge, in view of the circumstances of the case, may only sentence him to two, three or five years. Then, that individual may find himself faced with an application by the attorney general under the habitual criminal section of the code.

I submit that inherent in this section there is the principle that a person may be sentenced twice for the same crime. He may be sentenced once for the crime itself, and then under the habitual criminal section of the code which carries with it a sentence of life imprisonment if in fact, he has had other convictions which carried with them possible sentences of five years or more.

Normally, I gather there is a period of 30 days during which an individual may appeal his sentence. It can happen, and often has happened, that an individual who has been sentenced does not appeal within the 30 days. Then, he finds, after his last resort has gone, that he may be imprisoned for life if a charge is laid under this section. However, if an indication were given to him before that this charge might be laid, he might have appealed his sentence. There are a variety of reasons why a person might not appeal a sentence, such as a lack of money and so on. He might then, having the knowledge that he might be faced with life imprisonment under the habitual criminal section, take steps to save himself from that fate.

It is submitted that some people plead guilty or, in effect, take steps to prove their guilt under section 660 of the code without actually knowing what they are doing. Perhaps I could best illustrate this point by quoting from a letter sent to me by an inmate in one of the penitentiaries in Canada. I do not believe it would be correct for me to put the name of this individual on the public records. Any hon. member desiring to see the letter to ascertain that an inmate did write to me, may do so. The letter reads in part as follows, in respect of this question of pleading guilty or proving your guilt under the habitual criminal section:

> There's one other thing that bothers me very much and that is the way the officials of the court allow you to plead guilty, without your knowledge, to what amounts to life imprisonment. By that I mean they first, with no warning after they have found you guilty or you may plead guilty, which I did, they then ask you if a document is your criminal record which, in fact it is. When you reply that it is, not knowing you are about to be charged as an habitual criminal 80 or 90 days later,

they use this admission in your habitual proceedings, which of course makes it very easy for conviction.

This, coupled with the practice which allows the 30 day period for appeal to lapse before an application is made, is a most unfair way of using what I think is a shocking section of the code in any event. The chairman of the national parole board, Mr. Street, is a person for whom I have great admiration. Incidentally, I think he is doing a remarkable job of administering the act under his jurisdiction and assisting in providing a mechanism whereby people may be rehabilitated. A few years ago Mr. Street made a statement to the effect that the habitual criminal section could be used more often so that individuals would be placed under his jurisdiction for potential parole of life sentences. Then, they would have control of these individuals on parole, with all the administrative facilities available to them, and that individual would be subject to their control for the rest of his natural life.

As a result, there was a marked increase in applications for preventive detention under section 660 of the Criminal Code. This has resulted in what I believe are some anomalous and rather ridiculous situations. If we look, for instance, at the question of the age of people who have been sentenced under this section, we find that in the city of Vancouver a 68 year old man, a narcotics addict, was sentenced to life imprisonment. We all, of course, have a feeling of pity and sorrow for narcotics addicts. I believe everybody in this house regrets the fact that past governments, this government and provincial governments, have not found an effective and sensible way of dealing with narcotics addiction. Here we have a person 68 years of age, a narcotics addict and he is sentenced to life imprisonment as a habitual criminal. This is a rather ridiculous situation. The statistics printed in *Hansard* for July 17 of this year reveal that of the 68 people who are serving sentences of preventive detention, eight were 58 years of age or over. As I have said, this seems to be a rather ridiculous situation.

In British Columbia, the primary effect of this section of the Criminal Code falls upon people who have a history of narcotic addiction. We all know how the R.C.M.P. hounds people who have a history of narcotics addiction, almost day and night, for the purpose of trapping them and charging them with possession or trafficking in narcotics. Automatically, they are sentenced to the penitentiary. I have a great wealth of correspondence from one individual in the British Columbia penitentiary, and have visited and spoken to others who have found themselves in this position.

The minister, his department and the government should review very carefully and seriously the section of the Criminal Code which sets up the machinery for preventive detention and take steps to eliminate it as it is presently constituted, because I submit it is a violation of the right of an individual, namely the right not to be sentenced more than once for the same crime.

There are other matters in which this party is extremely interested. I shall not go into them at this time, except to say that other members of the party have an interest in these fields also, and will put their points of view to the minister. We will attentively watch and listen to the responses of the minister to the various points we raise, and we hope the words we use will somehow or other have a beneficial effect.

Mr. Prittie: I should first like to congratulate my colleague, the hon. member for Skeena, on his efforts in French tonight. I notice he has been carrying on some correspondence with the minister of natural resources in Quebec, and it seems Mr. Levesque has had some influence upon him.

Other hon. members this evening have spoken about people who are in prison and who may have been dealt with harshly. I am going to speak of some people who perhaps should be in prison and who have not been dealt with at all harshly. I want to say something about the anti-combines act and the activities of the government in the past few years in enforcing it. I have had a feeling for some time that for a great many years really not very much has been done in Canada in this particular field, and my feeling is shared by many people. It is only rarely that we see any successful prosecutions in the field of monopolistic practices, and usually these are followed by what seem to be very small fines.

Many members of the public are skeptical about this whole affair, and the vague feelings they and I have had, have been substantiated in a recent major criticism of Canadian anti-combines legislation and the enforcement of it, in a book published earlier this year entitled "Canadian Anti-Combines Administration, 1952-60." This was written by Gideon Rosenbluth, professor of economics at the University of British Columbia, and Mr. Hugh Thorburn, an assistant professor of political science at Queen's University.

Before dealing with the period under study, 1952-60, the authors give a short history of combines legislation in Canada. They deal with the early days, with the views of Mr. Mackenzie King on this subject, and with the work of Mr. McGregor who was commissioner until his resignation in 1949. They then go

into the dispute which arose, I believe around 1948 or 1949, between some members of the cabinet, between Mr. C. D. Howe and Mr. McGregor, a dispute which arose out of an investigation of the flour milling industry.

Following the resignation of Mr. McGregor a royal commission was established to investigate the legislation, and this commission was generally known as the MacQuarrie commission. I note that the President of the Privy Council was a member of that royal commission, and it made some recommendations, some of which were implemented by the government of that day.

It was at that time that the functions were separated, and there was established the restrictive trade practices commission, and the office of investigation and research. Incidentally, I notice that one of the original members of the first restrictive trade practices commission is the present Minister of Citizenship and Immigration, so that within the cabinet there is no lack of experts on this particular subject.

In 1960-61 other changes were made in the legislation. Over the years Mr. Fulton had gained some bouquets for the job he did as minister of justice, particularly in the field of penal reform, but I do not think he has any awards coming to him for what he did in the field of restrictive trade practices, because the changes made at that time seem to me, and to the authors of this book, to have weakened the act. However, it is the enforcement of the act with which we are primarily concerned.

The authors point out that the importance of a government department or agency can be measured by the amount of budget it receives. They point out that the amount of budget available to the combines investigation branch has been rather small throughout the years. In 1960 it had a budget of approximately half a million dollars, and at page 44 of their book they give some comparisons for other government departments. The Canadian government travel bureau in that year had $2.3 million, while the Newfoundland bait service had the same amount of money, half a million dollars. I am not knocking the Newfoundland bait service, but it seems to me the combines investigation service ought to be a more important field of activity.

In that same year the administration of the Immigration Act cost $1.2 million, and defence research and development $39.2 million. In any case, the amount of money allocated to combines investigation has been quite small, and on looking at the estimates for this year I was disappointed to note that there are very minor increases for the office of the director of investigation and research, and the restrictive trade practices commission.

I know the minister may answer that this budget was prepared by the previous administration. Perhaps that can be accepted for the moment, but I would point out that, even though our gross national product has grown year by year, and at present is around $37 billion, the total amount for combines investigation has not grown in any comparable manner.

The authors of this book made quite a thorough search and analysis of the administration of the act between 1952 and 1960. They analysed the fields of business that were investigated. They have made lists where successful investigations have taken place, where prosecutions have followed, and they have also listed those fields of business where the investigations were unsuccessful or were not followed up. The important thing is that the total amount of successful anti-combine work, the successful completion of investigations, followed by prosecutions in some cases and by no prosecutions in others, is a very small part of the total business activity in Canada.

It does not seem to me that there has been very much increased activity in this field since we had a change of administration last spring. My colleague, the hon. member for Winnipeg North, has at present a series of questions on the order paper concerning recommendations of the restrictive trade practices commission, recommendations which have not yet been acted upon. During the past several months I have, on two or three occasions, asked about a report filed by the commission concerning tied sales, that is, the practice of petroleum companies forcing service stations to buy and handle certain products.

This practice was recommended against by the commission some two years ago, and the minister has replied that the recommendation is under study by an interdepartmental committee. I hope that in the new year we can see some action on this point.

An hon. Member: What year?

Mr. Prittie: 1964. However, Mr. Chairman, I am satisfied from my own observation, and this has been verified by the authors of this book, that there has not been a very vigorous enforcement of the combine laws which we have. A number of years ago one hon. member of this house had this to say, and I am quoting from page 13 of the book:

> A law can be full of teeth, but if the teeth are not used to bite with it becomes a mere sham on the statute books.

That member is now the right hon. Leader of the Opposition. Again, Mr. Chairman, the authors point out the dilemma that faces a Canadian government in this field. They say

the government has a choice between alienating important business groups in the country on the one hand, or keeping satisfied certain other groups on the other hand—the small businessmen, the consumers, labour, agriculture, and so on. They say also that in this balancing which is supposed to take place, the other groups—the consumers, the small businessmen—usually lose out. Again, Mr. Chairman, they pose this very important question:

> Does anti-combines activity in Canada represent a serious attempt to influence the structure and functioning of the Canadian economy, or is it essentially a political gesture designed to meet the demands of voters while leaving the structure and practices of business substantially unaffected?

I get the impression that this is what has happened in the past, that it has been left unaffected. It seems that our governments in the past have acted on the assumption that combinations, monopolistic practices, are not the usual thing; this is something out of the ordinary; somebody may commit a crime and should be punished for it. I suggest this is the wrong approach, and that in the type of economy we have the tendency to eliminate competition is there at all times. Indeed, people in business may be forced to do this. Nevertheless the tendency to eliminate competition, to form larger firms, to get the market under the control of fewer and fewer companies, is built into our economy. It is not something unusual that has to be watched at all times.

I suggest to you, Mr. Chairman, that this is much truer in Canada than perhaps in the United States. An earlier study by one of the authors of this book, Professor Rosenbluth, "Concentration in Canadian Manufacturing Industries", points out that we have a relatively greater concentration here than in the United States, so that we should watch this particular field of activity more than they do in the United States. I hope this subject is under study by the government at the present time. I see the parliamentary secretary to the minister has the same book in his hand, so at least he is studying it. I hope someone else is also. When the new estimates are presented for the next fiscal year I hope we will see an increase in the budget for this very important department.

I should like to conclude, Mr. Chairman, by reminding the minister of this. I quote again from the text:

> However, in more than a technical sense, ultimate responsibility for the scope of anti-combines activity rests with the cabinet. It selects the director and the commission, determines heir budgets, and can issue directives that govern their work. It selects prosecuting counsel and is responsible for their instructions. It can initiate changes in the legislation to meet needs revealed by judicial interpretation. If the application of the combines machinery has been very limited, this state of affairs reflects the policy of successive governments, both Liberal and Conservative.

I trust, Mr. Chairman, we will see a change in the future in this particular field.

Mr. Bigg: Mr. Chairman, it is a privilege to rise in my place and speak on the estimates of the Department of Justice, particularly in view of the fact that this department is responsible for the estimates of the Royal Canadian Mounted Police. It is just 90 years ago that Sir John A. Macdonald introduced a bill into the House of Commons to set up this world famous force. We have always had good leadership in the force, which has contributed in a marked degree to their world wide reputation in the maintenance of justice and freedom in our country. It is a painful thing to have to sit here sometimes and hear members of parliament, who should know better, pick on the mounted police and their role in our national life as if they were some kind of hoodlum gang from Chicago, and not the world famous force which it is and which we so rightly admire.

To say that the R.C.M.P. hound people in the matter of narcotics is just sheer nonsense. If you knew, as I know and as the members of the mounted police know, how difficult it is to pin down the traffickers in narcotics in Canada, and how our boys go out and risk life and limb to track these people down, I do not think you would say they are hounding them at all. They are performing a most difficult task. Having found the fellows who peddle it, it is even more difficult to track down the source of these drugs. I would recommend to the minister through you, sir, that the mounted police be taken more into his and the people's confidence. I think those who have to administer the Opium and Narcotic Drug Act know better than anybody else the best long term plan for putting down this trafficking. I personally am convinced that if we gave drugs free to the people who are subject to this dreadful habit and took the profit out of drug trafficking, we would have some chance of putting down this nefarious business. It is the enormous profit which causes drug trafficking, even in Canada where we have the services of the mounted police to try and keep it down.

Some hon. members may not know that in certain countries these dangerous drugs can be bought for $2 or $3 a pound. When they get here and are watered down, thinned out, and sold on the market to the individual, sometimes one packet of dope costs as much as $30 or $40. This means a pound of dope can be worth $55,000 to $75,000. Do not say the

mounted police hound people. Let us get behind them, not only outside the house but inside, and appreciate the service they are giving us.

It has also been said that they hound people who are suspected of subversive activities. Hon. members know how difficult it is to track down subversive activities. These activities range from open sabotage to the undermining of the morale and the national spirit of our young people. It is not an easy task to pin it down. The R.C.M.P. are seized with this job. None of us like it; but they are doing the job and yet it is said they are spying on their neighbours. That is a harsh word to apply to the work of security. This is done in the United States by the F.B.I. We are very proud of the work they do down there. Our force, in plain clothes, are seized with this job in Canada. They are not hounding any Canadian, but are looking out for the security of our country. I am tired of hearing this carping criticism which I think is only dreamed up to get notoriety in picking on a famous organization which is doing its best.

I think the role of the R.C.M.P. should be reviewed with regard to their contracts with the provinces. On several occasions within my memory the R.C.M.P. have been in difficulty. Their leadership has been in difficulty because the duties of the force have not been clearly defined, when it comes to maintaining law and order. There are three circumstances in which the force might be called in. In the first place, if there is a man breaking the law, openly stealing or drunk in a public place, their duty is plain, where they are seized with this duty. It is to arrest the man and bring him before the magistrate at the proper time, see that the proper evidence is produced, and so forth. The role of the force is plain. It might be called out in time of open strife, perhaps even to co-operate with our armed forces in an emergency. Naturally if a submarine was seen coasting along the Cape Breton coast a patrolling officer would contact the military authorities, who would alert the army, the navy and the air force. Then they would retire to their proper role of civilian police. I do not think there is any difficulty there; they could be used as a warning device to let the proper authorities know.

Then there is a third situation, in which they are called upon in the role of what civilians perhaps call strikebreakers. Where are they then? I say that their duty in this situation has never been clearly defined. Where and when is it the responsibility of the individual policeman or the mounted police, as led by their officers, to maintain law and order, which in a sense is a kind of political war? I think these roles should be clearly defined and then never again will the commissioner and the mounted police find themselves at loggerheads with the Minister of Justice.

Some years ago the R.C.M.P. were used actively in what we called the youth and police program. There are statistics in the records to show that when this youth and police program was in full operation juvenile delinquency suffered a dramatic decline. We used to call juvenile delinquency "being a bad boy," but, call it what you like, when the mounted police were actively engaged in this great program there was a dramatic drop in juvenile delinquency. I think many of the members felt at the time that this was an imposition. Some of them did it willingly, some under a certain amount of pressure from above; but nevertheless, if the record is looked up it will be found that the mounted policeman was proving himself to be in his finest role when he was interested and active in this preventive police work among our youngsters. I would recommend to the department, through you, sir, that this very important and valuable use of the mounted police be considered for revival.

Another matter to which I wish to bring attention, having been a policeman myself, is the great difficulty in the public mind, and sometimes even in the minds of the police, of the lack of uniformity of provincial laws. We have at least ten traffic acts in Canada, not to mention the bylaws in all the different cities. I know that that is not anything new, but I would again stress that I think it is of prime importance that at the next provincial conference perhaps the heads of the municipal police, the heads of the mounted police, and the heads of the various justice departments, the attorneys general, might well accompany their premiers, straighten out the situation once and for all, and agree upon a sensible traffic law which would be acceptable all across Canada. I do not think we need run into constitutional difficulties here. As long as we have uniformity in our thinking it would not be difficult to get uniformity in our laws. To travel across our great country touring and trying to keep in mind ten, 12 or 14 different traffic laws is certainly difficult for someone who has had personal experience in the matter; for the uninitiated driver of an automobile I am sure it causes many accidents and a great deal of grief and pain.

May I close by saying that during this 90 years we have always had leadership in the mounted police which has been a credit to that force and to our country. I must say that we can look forward to the future with confidence in these fine men who care for our national security, and the Queen's peace.

[*Translation*]

Mr. Frenette: Mr. Chairman, I shall take just a few minutes of the committee's time since I only wish to outline one point in connection with the estimates of the Department of Justice.

I should like to call the minister's attention to the necessity, indeed, the urgency of amending the Bankruptcy Act so that the rights of Canadian citizens are better protected and more respected.

Mr. Chairman, I am not a jurist and that may be why I do not understand much of that legislation. However, on the basis of what I have been told by members of the legal profession, I do not hesitate to say that the Bankruptcy Act is probably the most complicated and ambiguous piece of legislation in our statutes.

Besides, numerous bankruptcies are merely daring and clever financial operations to succeed in business in defiance of all honesty and fairness.

And yet, those operations are effected under the act and seem to comply, if not with the spirit, at least with the letter of the law.

I have just gone through a rather painful experience during which 30 odd workers of my city have lost almost $20,000 in salaries following a bankruptcy that has been before the court for more than two years.

Yet, those workers acted in good faith and relied on people regarded as competent to help them to recover their salaries.

In this case, of course, I am not accusing anybody of incompetence nor of dishonesty, but I am still convinced that if the Bankruptcy Act had been worded in a clear, accurate and concise way, those workers would have been able to recover what rightly belongs to them.

For several of them, the losses exceeded $1,000, an amount which represents several months' salary. I am not trying to be emotional over this, but try to understand, Mr. Chairman, what such an amount means to families having to manage on an annual budget of $2,000 or $2,500.

It is urgently required that the Bankruptcy Act be thoroughly reviewed so as to protect the public against unscrupulous and ambitious crooks.

I am thinking not only of workers, but also of suppliers and subcontractors who, more than once, have suffered at the hands of those sharks.

If they have not done so already, I hope that the officials of the Department of Justice will start planning a revision of the act, not to cover and shield questionable transactions, but to protect the rights of Canadian citizens who, in their vast majority, are honest and conscientious people.

The present act gives rise to judicial conflicts, which are always very expensive for those who bear the costs.

I quite understand that it is difficult, not to say impossible, to draft legislation which would put an end to lawsuits in cases of bankruptcy; but I am confident that the departmental experts will at least be able to improve matters considerably in that field.

Mr. Rondeau: Mr. Chairman, I only need a few minutes to call the attention of the Minister of Justice to some of the problems with which my constituency is confronted.

However, before doing so, I wish to congratulate on his excellent French, the hon. member for Skeena (Mr. Howard) who spoke a moment ago. He should indeed be congratulated for this commendable effort, and I suggest that the other members might follow his example.

Mr. Chairman, I am coming now to the substance of my remarks. I wish to point out to the Minister of Justice that, in my constituency, there is no bankruptcy court.

As I pointed out to the Minister of Justice a few days ago, we must go to Sherbrooke, that is some 60 miles from Granby, the centre of the constituency of Shefford, to settle bankruptcy cases.

There is a court at Sweetsburg, in the district of Bedford but at the present time there is no bankruptcy court there. Such a condition is far from being practical for lawyers or interested parties who have bankruptcy cases to settle.

In addition, I wish to draw the attention of the Minister of Justice to the fact that the city of Granby in my constituency of Shefford has quite a large population now but is still without a court house or a court; we have to go to Sweetsburg to settle our legal problems.

I am therefore wondering whether it would be possible to establish in the main city of my constituency a court where our problems could be settled. It is our most important problem at the present time. As the bar association of Bedford pointed out some three weeks ago in a resolution, it wishes to settle this problem as soon as possible. Consequently, I hope that the Minister of Justice will attend to this matter.

In addition, I wish to point out to the Minister of Justice the problems of the judges, especially in the Quebec, Montreal and St. Hyacinthe districts. Looking over the list of cases, we note that thousands are waiting to come before the court. It is also noted that in some cases, they will have to wait for three and maybe four years before they can be heard.

I think the Minister of Justice is aware of the problem.

At present, in the city of Montreal, there is a backlog of thousands of unheard cases or cases heard several years ago and still awaiting a judgment. Besides, a great many cases have not yet been called before the court.

Mr. Chairman, I should also like to make a few comments concerning the famous Coffin case which everyone has heard of and which has been making the headlines these last few days. It does not seem normal to me at this time to allow someone to write a book—maybe hoping for a large circulation—that can only undermine justice in our country. I am not discussing the merits of the book. But, at this time, the way things have been going, I doubt the wisdom of the questions being asked about prominent people and especially about judicial principles and mechanisms in Canada.

What strikes me most is that for several weeks now they have been reconstituting a case by means of films—and in this I ask the Minister of Justice whether the Canadian Broadcasting Corporation is not co-operating with the writer of this book in order to reconstitute the circumstances of the crime in the Coffin case. We have the feeling that the C.B.C. and the writer of the book in question work together, hand in hand, in order to create a scandal around an unproven theory.

In any case, what moves me the most is to see that the C.B.C. is using our money, public funds, to undermine the concept of justice in Canada.

Under the circumstances, I would ask the Minister of Justice, whose longing for justice I would in no way question, to kindly request the minister responsible for the Canadian Broadcasting Corporation, to have an inquiry made and see to it that openly offered co-operation by socialists in the C.B.C. be stopped. In fact, for several years, everybody has been complaining that the C.B.C. is crawling with socialists; you get the feeling, especially since the alleged Coffin scandal has been stirred, that the intention is to promote certain well known socialists in the province of Quebec.

Mr. Chairman, I should like the Minister of Justice to settle that case as soon as possible, because the longer we wait, the more we let those things happen, the greater the harm done to the smooth operation of our judicial system.

Therefore, I suggest that the sale of that book be banned, that a royal commission be set up and that the culprits be convicted, otherwise, the confidence of the Canadian people in the judicial system of this country will be destroyed.

Mr. Chairman, I think I have said enough to draw the minister's attention to the problems raised by the Coffin case, to which newspapers have been devoting full pages in the last few days.

We seem to want to pass the buck but if nothing is done, who will deal with the problem?

Mr. Chairman, I know that the Minister of Justice has answered a few questions on the subject, these last few days saying that he was expecting certain decisions which did not come under his department. But he ought to do everything in his power to set up an inquiry into the facts under his department, through his officials and those of the province of Quebec, so as to put an end to that scandal which, if allowed to continue, will contribute to undermine the trust of Canadian citizens in the judicial system of our country.

[*Text*]

Mr. Scott: I want to take a few minutes of the time of the committee to pursue a subject which I have raised on the orders of the day for the last couple of days and which has been the subject of comment by several of those who have spoken in the course of this debate. I refer to the Coffin murder trial. I want, again, to urge the Minister of Justice to give some consideration to a suggestion which has been made both inside and outside this house, namely that a royal commission should be set up to investigate the situation. I understand that some of my hon. friends on this side of the house are not in favour of this suggestion—that they have suggested a committee of lawyers should look into it. This, of course, is something which has already been done. It was done in the United States, and it was done here, when the committee which reviewed the case included some of the defence lawyers as well as newspapermen, all of whom came up with grave doubts as to Coffin's guilt, and the justice of his being put to death.

It may seem strange that we should be concerning ourselves today with what happened ten years ago. In the summer of 1953, three United States hunters came to an area of the Gaspe and were killed there. Their bodies were mangled by bears. A few weeks later they were discovered and Mr. Coffin was subsequently arrested. Then there began what is surely the strangest and most complicated criminal trial in the legal history of this country. No murder case ever went through so many procedures. Perhaps no man was ever reprieved so many times. By the time he was finally executed, Coffin had been drawn back

from the brink of death no less than seven times. He started his trial with jet black hair and he went to the gallows with snow white hair. No case within my recollection has provoked so much disturbance in the minds of the legal people who have perused the evidence. From the day Coffin was arrested to the day he died a curtain of mystery descended around this trial and this veil of mystery has persisted until this very day.

Recent disclosures have resurrected the events of the trial and revived doubts as to the validity of the sentence. Let us consider the trial itself. The mangling of the bodies meant there was no real evidence of the way in which they had died. Coffin was convicted on circumstantial evidence, and there is considerable doubt as to the strength of that chain of evidence. It is a well known rule of law that circumstantial evidence must not be just consistent with guilt; it must be inconsistent with any other reasonable conclusion. This is the question which has troubled the lawyers who have been concerned about this case. It has troubled the counsel who acted for him, the people who knew him in the penitentiary and the priest who sat with him and knew him for some five months. This was a case in which there was no murder weapon ever produced, no mark on the body, no killing bullet ever found. Only one charge was laid and that was in the death of the Lindsay boy. The only evidence of a bullet wound was a hole in his jersey. The medico-legal expert at the trial testified that he could not say with certainty that the rifle Coffin was alleged to have used would have caused such a hole.

So much at the trial was not done. One hesitates to criticize counsel. It is always easy to be wise after the event. But an examination of the trial itself makes me wonder. Witnesses were not cross-examined. No defence at all was put in. Not a single witness was called in Mr. Coffin's defence. Mr. Coffin himself was not permitted to take the stand to testify, although throughout the period before he was executed he insisted he had always wanted to. As I said, the only evidence of a bullet hole in the body was a hole in the jersey and the medical evidence was very doubtful in that sphere.

Some of the bodies were found five miles apart in the bush. Maps were presented to the jury, for example, that did not show the multiplicity of roads that permeated the area and the ease with which other individuals could have arrived at the scene of the murder. The goods of the murdered hunters were strewn along the road leading from the scene of the murder and evidence was given this could not have been done by one man but that, for example, it would require two or three men driving a moving vehicle. No investigation was made in this regard.

Coffin had stated, and he maintained until his death, that when he left these men in the bush there were two Americans with them and that the Americans had driven up in a jeep which Coffin described in great detail and with great particularity. We have no evidence that any search was made to find this jeep though after his death, as I will show in a moment, witnesses came forward with affidavit evidence that they had met these men and seen them in the area.

Coffin denied having a rifle and no rifle was ever produced at the trial. Yet it was alleged he had used a rifle. The only evidence against Coffin at the trial as to a rifle was that of a Mr. McGregor, I believe, who said he had seen Mr. Coffin coming out of the bush and in the truck he saw what he thought was a rifle. The man was never cross-examined to ascertain if it could have been anything else. After Coffin's death this man came forward and made an affidavit stating that he wished to change his evidence, that he now wished to say he thought it was an iron bar that had been in the truck. Again, no investigation was made of this statement.

The trial was the longest and most expensive criminal trial in the history of the county. It would have bankrupted the county to pay for it, but the entire expenses were very kindly paid by the province of Quebec which seemed to have a very keen interest in the trial at that time. The defence had stated throughout that they were going to call 100 witnesses, but when the crown rested its case the defence got up and said: "We are not going to put in any evidence at all; Mr. Coffin is not going to take the stand in his own defence".

Coffin until his death, as I say, persisted in his story. He never changed it one iota. He always claimed that he had wanted to get on the stand and tell the one story that could have saved his life, namely that he had been in the bush, that he had seen the truck of the hunters, that he had stolen the goods that were later found in his possession but that he did not murder these hunters. This was the one defence which, if believed, could have saved Coffin's life but he was not given the opportunity to present it.

I am not being critical of the people who conducted the trial, but the trial itself raises very grave doubts in the minds of a lot of people as to the validity or otherwise of his conviction. However, Mr. Coffin was found guilty. Perhaps on the evidence presented this was the only conclusion the jury could reach. Certainly with no defence presented it must have been difficult for the jury.

But the real mystery of the Coffin case starts from the day of his conviction, because after his conviction and before his death a whole series of bits of evidence developed which cumulatively began to increase the doubt which everyone felt. For example, the crown had charged that Coffin had murdered these people for their money and had stolen $650 from them. After his death people came forward with sworn affidavits that they had paid Mr. Coffin $580 to go out and stake mining claims for them. This was never followed up and investigated further.

Coffin always maintained there was a jeep with American hunters at the scene of the murder. Sergeant Doyon, who testified at the trial, said that he had seen marks of a jeep on the scene but had not mentioned it at the trial because nobody had asked him. This was not brought out in cross-examination. Dr. Wilson, a young Toronto physician, swore an affidavit with his wife that in June of 1953 they met two American hunters crossing on a ferryboat going toward the area. They described the coats the men wore and the plywood covering, and so on, on the jeep, which was similar to the jeep that Coffin had described. Maddern River, a Lorne Patterson service station operator, remembered seeing the same jeep and that the occupants had asked for the Lindsays, who were the murdered men. Again this was in the general vicinity.

A Dr. Charles Attendu of Montreal gave evidence that he had seen a jeep in the area near the murder. A Mr. Tapp, who was a police constable, recalled meeting an American at a cocktail party who was going to go to Gaspe to hunt, and in this book by Beliveau he recites how the American was picked up by another man in a jeep and they drove off to go hunting.

The whole mystery of the rifle that committed the murder has never been resolved. I have already placed on the record the statement of Wilson McGregor who was a witness as to the rifle, and who first thought it was a rifle and later wanted to change his evidence, and made an affidavit that he thought it was an iron bar.

Because of these doubts the pressures mounted and the government of the day then referred the case to the Supreme Court of Canada and asked the court to give it guidance as to what it would have done if it had heard the appeal. The case was argued extensively. I believe the present Minister of Citizenship and Immigration represented the government at that hearing and is no doubt familiar with the case. At the conclusion of the case the court ruled five to two that if it had heard the case it would not have quashed the conviction and would not have granted a retrial.

No one is quarrelling with that, because the real significance of the Supreme Court of Canada case is that the court did not have before it all of the new evidence that came to light after Coffin's conviction. The Supreme Court of Canada, and rightly so under our rules, is limited to the court record at the trial and at this hearing it did not have access to all of the new evidence I have alleged tonight. To my knowledge this evidence has never been presented to a court of law considering this matter.

Therefore, while the Supreme Court of Canada did rule five to two, I think the significant point is that there was dissent, that a judge of the eminence of Mr. Justice Cartwright said on the basis of the evidence at the trial that, had he been dealing with the matter "it would have been my opinion the appeal should have been allowed, the conviction quashed and a new trial directed". I would have thought that the fact of a dissenting judgment by two eminent judges would have raised doubts in the hearts of the members of the cabinet. The new evidence I have mentioned tonight was not available to the court, of course, but it was available to the government of the day and representations were made to the government, first for a new trial, which was declined and, second, for commutation of the sentence to life imprisonment.

We do not know what consideration took place. The records indicate that considerable discussion took place in the cabinet and the matter was thoroughly investigated, but the tragedy is that by that time the Coffin case had developed political overtones in the province of Quebec. The then premier of the province, the late Mr. Duplessis, seemed to regard any action by the federal government as an infringement of provincial rights, and he began making very strong statements as to what view he would take should the federal cabinet ever grant a new trial or commute the sentence to life imprisonment. Indeed, Mr. Coffin's tragedy may have been that he was convicted of murder at a time when provincial rights were very dominant in the minds of Quebec politicians. There has never been any overt evidence of this, but it was significant that when the refusal to commute the sentence was announced Mr. Coffin then asked if he could marry his common-law wife and legitimize his little son. Mr. Duplessis, in all charity, refused. Mr. Coffin was hanged, I believe, the day after the cabinet declined to commute his sentence.

These, briefly, are some of the facts that surround this mysterious case. Over the years,

Mr. Chairman, the members of the legal profession, at least the ones I know, have had a secret doubt in their hearts. I do not know whether or not Coffin was guilty. I would have thought, in the face of the new evidence, in the face of the dissent by two eminent justices, there ought to have been enough doubt to have permitted Mr. Coffin to live under a sentence of life imprisonment. The tragedy today is that, even if we got a royal commission, even if we were able to prove Mr. Coffin innocent, he is not alive to be released. If ever there was a case which supported abolition of capital punishment, it is the case of Wilbert Coffin. Here was a case where there was doubt, I think, in the hearts of most honest men, a doubt which should have been resolved in his favour. For reasons good or bad, it was not so resolved.

After his death his counsel were so convinced of his innocence that they did not let the matter rest there. They formed a committee in Toronto, the Canadian Coffin committee, and invited newspapermen to serve on it. These people investigated further, reassessed the evidence and still there was this doubt. The well-known court of last resort in the United States, for the first time in its history, took up a capital case after the accused had been executed. They, too, investigated. As I have said, down through the years there has always been a doubt in the hearts of many people as to Mr. Coffin's guilt. Certainly, there was enough doubt that a new trial should have been granted. Certainly, there was enough doubt that he ought to have lived, so that if his name were ever cleared he would be able to be released. This avenue is no longer open to us and that is why we have raised this matter.

It is true that even if we were to investigate the case now, it would not help Coffin. We have always said that under our jurisdiction it is almost impossible for an innocent man to be convicted. The presumption of innocence is so strong, the necessity to prove his guilt beyond all reasonable doubt is so strong, that it is clearly impossible for an innocent man to be convicted. The question we now ask in our hearts is, is it possible for an innocent man to be executed? Until the mysteries of the Coffin case are resolved, I am not sure that we can ever say that under our jurisdiction it is impossible for an innocent man to be convicted and executed.

I am not too concerned with the recent book that has been written, although I think these charges are unprecedented and disturbing. The writer of the book seems to be alleging what almost amounts to a conspiracy of the parties to convict Coffin and have him executed. He makes what appear on the surface to be rather wild charges. They are sensational, and because they are sensational they are receiving very wide attention. I want to assure the Minister of Justice and his parliamentary secretary, for whom I have a very high regard, that interest in this case is not going to die down. If you think that by postponing or neglecting it you are, in some way, going to ride out the storm, the forces that have again been set in motion by this recent book and by the sensational charges, the resurrection of all the evidence that no court ever heard, I can tell you that most of the interest in this case is going to continue. For my part, I will do what I can to see that this is the case. I think it would be a wise move on the part of the Minister of Justice to appoint this royal commission. Let us go into the facts of the case and if, in fact, an innocent man was convicted and executed, then let that be known. Until you clear away the clouds of mystery that surround this case there will always be a cloud on the integrity of our jurisprudence, and for that reason I urge the minister to give favourable consideration to this request.

Mr. Peters: I had hoped the minister would reply before the item carried. There have been many problems that have been raised, but certainly none of them have been raised as eloquently as the last appeal by the hon. member for Danforth. I think it is a classic. If it does not move the Department of Justice to some consideration of this matter, then of course there is no point in anyone else speaking. I hoped the minister would reply immediately to the hon. member's remarks, because the problem I have is not quite as serious.

The problem I should like to raise, Mr. Chairman, is one in which I have been interested for a long time, but it affects only those who are getting out of prison or about to get out of prison. We have heard today many complaints about the manner in which we treat criminals. Certainly one of the problems that faces every inmate of a prison is the fact that some day he is expected to walk out the gate and live again in society. I think this is one of the most difficult problems that faces a prisoner, especially after many years in jail. In speaking to the officials of the Department of Justice, I have been told that cost is a factor in remedying the treatment of prisoners. They say that they know St. Vincent de Paul is in terrible shape and they would like to get prisons of a new type constructed. They would like a system under which an inmate might be given more freedom, under which he would be allowed to engage in useful activity in a community under supervision. These things would be very good, but we have not got the money for

them. Mr. Chairman, should we not have reached the stage where we try to treat our prisoners within our penal institutions in such a way as to indicate that we want to reclaim them in society? If we believe that the only purpose of putting a man in jail is for the protection of society, then I believe we have an obligation to make sure that a prison sentence is not necessarily considered as a punishment.

If this is true, then rehabilitation should be the prime consideration. It is very interesting sometimes to read what the prisoners themselves have to say. I should like to quote from an article written by a man who is certainly highly qualified in this field, the director of remission services, Mr. A. J. MacLeod. The article is entitled, "The Citizen and the Correctional System", and the author refers to a prisoner coming out of prison. He has this to say:

> The prison experience is bound to have left its mark upon him, and this is especially so where the period of confinement has been eight, ten, 12 or 15 years. By this time he has forgotten most of the social graces that he ever knew. To him the simple operation of buying a package of cigarettes or ordering a cup of coffee in a restaurant is fraught with difficulty. He is highly conscious of his table manners—or rather the lack of them. He has forgotten how to go about buying his own clothing. He is nervous about meeting strangers.

I think that this is something most of us cannot understand. Just think, Mr. Chairman, how this must be in other fields, in particular emotional fields, rather than in social fields. The man who has been in jail for a considerable length of time has only met his family through a glass partition. He has not been able to talk with them in privacy, and he must have suffered untold emotional damage which he would have to be very strong to overcome.

I am sure some hon. members have visited prisons. No doubt a few of them have gone on junkets where they were shown around prisons, but I am sure others have gone to prisons to visit a particular inmate at the request of that inmate. He certainly has a problem or he would not invite a member of parliament to visit him; but when a member goes to see him a guard sits behind and the talk is through a partition. There is an emotional restriction that prevents free discussion.

By contrast, I am always very pleased when I visit any of the provincial jails. I do not know whether this is because I have no business being there, but when I go to visit prisoners in my own district the officials give me the doctor's office and we sit in easy chairs, with the guard outside the door, and we can talk about whatever we wish. It is much easier for a prisoner to discuss his problems in that atmosphere rather than in the normal prison visiting atmosphere. I am quite happy to go into a room, have the door locked, and talk with one or two prisoners for a half an hour. They would not ask me to visit them unless they wanted to talk to me, and I am sure they would not cut my throat. Now, members of parliament certainly have more privileges than other prison visitors, but even so in federal prisons the atmosphere could be better.

There are many emotional problems that may develop between a prisoner, his wife and his children when they visit him, and there are many emotional problems for the family at home. We put the offender into prison and we say we do this because he has offended against society; but have we not really convicted his family as well, and is their penalty not even greater than the prisoner's? It has been said that once a door closes on a prisoner he knows he is convicted, what sentence he must serve, and the reason for it. But is this true for the family left at home who may not have been aware of the circumstances surrounding the offence which ended in the imprisonment? They may be completely unaware of it until, as some hon. member said this afternoon, the wife picks up a newspaper or listens to the radio and hears that her husband has been sentenced to four years in prison. What are we really sentencing such a family to, when they do not know what the circumstances were?

It is for this reason we should take advantage of some of the developments in other parts of the world. I know perfectly well that because we have not sufficient room to house all the prisoners in jail, we will have great difficulty in providing space for their wives to visit them in privacy. But I have been surprised to learn that in one of the most backward areas on this continent, the southern states, the state of Mississippi allows the wives and families of prisoners to visit them every Sunday. We should be able to do something like that. I do not know too much about penal institutions down there, but I have heard of the chain gangs. However, the authorities do not make these conjugal visits dependant on the good behaviour of a prisoner. It does not matter whether a prisoner has been on good behaviour or not; he is entitled to these visits. For three Sundays in succession his family can visit him from one o'clock in the afternoon until three, and on the fourth Sunday they can visit him from one o'clock until five o'clock.

In Alaska, which some say should be part of Canada, and which is the youngest of the American states, there is a law allowing families to visit prisoners for 24 hours, every three weeks, provided the prisoners have

been well behaved. This is even more far reaching than the system in Mississippi.

There are also cases where houses have been built in which families can visit with the prisoners. A wife can cook for her husband and the children can get to know their father. Such visits last for a week end, and when the prison gates open and the prisoner returns to society he does not find the transition so strange. Many countries have more farsighted laws in this regard than we have. I am not suggesting this will solve all the problems of rehabilitation, but it will solve some of them.

How many times have members of parliament sought parole on behalf of prisoners only to find that once that a parolee has been released he finds himself in trouble with his family? He no longer knows his wife. Maybe he did not know her too well before he went to jail, and the children left behind are now older. During the period he has been in jail the wife has been both mother and father to the children, has been the sole authority in the house, and when she punishes the children an argument develops with her husband. The man then does what he has always done, certainly what he has done when he has been in jail. He dodges responsibility, because he has not had to carry it for a long time. He goes downtown, gets drunk, his parole is rescinded, and he goes back to jail.

We do not want to talk about the homosexual practices engaged in, in all our prisons, but I think the minister will agree they have been the basis for most of the riots we have had in Canadian prisons over the past number of years. I am sure the minister is not going to stand up and go into the details of the homosexual practices that have taken place, and which have been responsible for many of these riots. But we know they exist. We know that if you take normal people out of society and put them under control, they will turn to any alternative which is available to them. With regard to those people who may not have the education, the intelligence and the background that would prohibit them doing this sort of thing, this is the type of practice in which they engage. I think it is safe to say—and I am not making any charge against any particular penitentiary or any particular guard—that many of the guards fit into the category that allows this practice and take advantage of it, and sometimes they become quite wealthy because of it. This is a fact. This has always gone on in prisons; it has always gone on in any kind of institution where men are in close proximity for a long period of time.

There is another side to this question, Mr. Chairman. What happens to the wife? Sex is equally important to both our sexes, and the wife also finds herself in a situation she has not been prepared to face. Her husband has not been sick; he has not died; there has been no preparation for the withdrawal, which preparation is necessary. If the minister wishes to refute my argument he will have to tell us how many prisoners have returned to their homes to find a child or two born during the period of their confinement in prison. We know this is true in many cases. I do not think you can blame the people involved, because they have been accustomed to a normal sexual life and there was no emotional preparation for this withdrawal. If there is a war and people go away, the emotional attitude makes this withdrawal possible. When a person dies there is an emotional attitude that makes it possible. In the case of the confinement that takes place in prison, this is not necessarily true.

What do prisoners themselves say about some of these matters. A year ago T. Cunningham, a prisoner, wrote in "The Telescope", the inmates' magazine of Kingston penitentiary, when speaking of visits:

> Any time they sit across from their wives, a table and a mesh screen separating them, they don't think about words like reformation and rehabilitation.
>
> They think about how nice it would be if they could just reach through the screen and hold her hand for a moment. In 30 short minutes she is gone and they find it hard to believe she has ever really been there. And some wonder if she will be back.

He points out this is not the case in some prisons, and speaks of the situation in Mississippi in this way:

> "Wives are permitted to visit every Sunday afternoon between one and three, except on the third Sunday, at which time they are permitted to visit between one and five. Unless a prisoner is being punished and is confined in our maximum security unit, he is permitted to see his wife privately on any visiting day—no matter how good or bad a prisoner he is".

He is there setting out what the warden of the Mississippi state penitentiary has written about this subject. Then he says:

> Adjusting to the society that banished him is a difficult task for a man released from prison. The affection and support of a wife and the responsibility he feels to his children can make the task less difficult.
>
> No woman can be expected to endure a life devoid of physical love for a number of years because her man is in prison. Her needs are as great as his and they cannot be satisfied through a glass and mesh partition.
>
> The communication must be more than spiritual, as has been borne out by the many broken marriages caused by imprisonment. If judges and magistrates understood that when they sentence a man to prison, they are also sentencing his wife and family, conjugal visits in Canada would be more likely to gain their support.

Mr. MacLeod, who is responsible for this and you might say should be recommending a higher budget for it, does understand the problem and I think is very sympathetic to it. He had this to say in the address he delivered to the John Howard society on February 25, 1963:

> We are concerned about the relationship of the inmate with his family. That relationship will, upon his release, usually have a profound effect on the question of his successful readjustment in society. Accordingly, we encourage visits to the inmate by members of his family and we provide as little restriction and supervision as possible during such visits, having regard to the security considerations involved. We want the inmate and his family to meet each other frequently in surroundings that are free from strain.

This may be true and it may be what we want; but it is not what we are accomplishing in most of our prisons. It may be true that we are a prudish nation and do not want to talk about these things. Very seldom, if ever, will you hear the reasons for the problems in prisons discussed. But there was a story told recently in this connection. The minister can investigate it. It concerns some of the practices that took place in Kingston penitentiary. The minister should look into this case of a young chap for whom the guards and the inmates took up a collection. They bought him a bicycle and turned him loose in the compound to learn to ride the bicycle. He was not an old man, or even a young man; he was a boy 13 years of age. I think the minister should find out for himself what happened in this case. Perhaps he would then be sympathetic to the problem we have in Canada because of our prudishness and our unwillingness to even face this situation.

I do not know whether it is wise to be too strong about these things. I do not think the minister is going to do a damned thing about this. I do not say that because he is the minister, but because this is a problem society has not faced up to, and it is a very serious one. If the minister is even going to talk about this problem, people will say, "Why in heck are you paying $2,500 a year to keep a guy in jail, if you are going to give him all the comforts of home?" Certainly they are going to say this. Many people don't give a damn whether that guy is ever rehabilitated into society. Even here we have the chief of police of Ottawa saying these people should not be out on parole, we should keep them in jail. If many of the people who are really involved with this matter understood these problems and were more sympathetic to them, more willing to bring them out into the open and ask for the help, support and consideration of the nation in general, and told people the facts of the problems, I think this nation would be very sympathetic and would want some solution found to the problems.

We quite often cover these things up. I think we should not do this. If the minister were to get up and say, "We are going to allow conjugal visits for married prisoners who have been married over six weeks, and these visits will be allowed once a month", somebody would immediately get up and say, "What about the single man? How come you are doing this for the married man and you will not do it for the single man?" In other countries they supply prostitutes for the prisoners. I am sure this could not be tolerated in Canada and I am not suggesting it should be tolerated. But just because there are some road blocks, we do not have to go to that extreme or any of the other extremes; we can give consideration to those things which are acceptable to our society and can develop our program to meet the needs of today.

We are a long piece behind. I hear hon. members speak of the Fauteux commission. I decided to read it one time and did not get too far in my study of that document. But I hear people refer to it and I think you can take any part of it out and say, "I would like this to apply", because very little has been applied to our penal system in Canada. In closing, Mr. Chairman, I would like to say that I think our institutions should be for the re-establishment into society of people confined therein. Even murder is acceptable to society in times of war and other situations; it is even approved, spiritually approved in many cases. It is only when it does not conform to society that it causes difficulty in the society against which the crime is committed. We should try to rehabilitate these men in our society. I will not mention the other systems of treatment which may be provided to prisoners; other hon. members have done this much better than I could. I think one of the things we should be prepared to do is this: When a prisoner goes out of a gate he should be capable of going in a normal fashion into the society from which we took him, so as to live with his family in the proper way; so that he can walk down the street carrying his lunch pail to work, coming back again to his family who understand him and can sympathize with him and give him support at the time he most needs it. If we provide the machinery, they can make it possible. If these steps are taken about one or two years before long term prisoners are released, this will be an advantage and keep many people out of prison the second time, as well as making the job of the parole officer, that of the John Howard

society and others interested in rehabilitating prisoners in society very much easier.

Mr. Brewin: Mr. Chairman, I know the house is anxious, and I am sure the minister is, to end this discussion and get the estimates through, but I have a matter of a constitutional nature which I believe of some importance. Even though the matter is important I think I can sum it up very quickly.

A few weeks ago the Supreme Court of Canada upheld the validity of the labour relations amendment act (1961) of British Columbia by a majority decision of four judges to three. This legislation in effect prohibited trade unions from using about 99 per cent of their funds to support any party or candidate for office in the federal field as well as in the provincial. One of the minority judges described this decision as a grave and unwarranted extension of principle. He also described it as a matter of great constitutional and political importance.

The decision, if I may say so with very great respect, justifies an intrusion by the provincial legislature into the field of federal elections, which is surely a matter which should be within the control of parliament, not of provincial legislatures. The decision of the majority indicates—and I say this with a great deal of respect to the court—a lack of understanding of the historic rights of labour. And lastly, this decision implies the right of the provincial legislatures to restrict the political rights of every organized group in Canada, be they a trade union, a corporation, a co-operative or any other association of individuals. It is, I suggest, entirely inconsistent with the bill of rights passed by this parliament, which purports to preserve freedom of association as one of the basic constitutional rights upon which our whole system depends.

In light of these facts, Mr. Chairman, I hope the minister will give careful and indeed favourable consideration to the request which I understand has been made to him to support an application for a rehearing of this matter by the full court of nine judges. The matter is of such grave importance that I respectfully suggest to the minister and his department that by supporting an application for a rehearing they will be assisting in the protection of the rights of this parliament, and the rights of the people of Canada.

The Chairman: Shall item 1 carry?

Mr. Howard: Mr. Chairman, I do not want to prolong this matter but I think everyone is waiting with great anticipation for the minister to make some response to the various proposals which have been made.

Mr. Chevrier: Mr. Chairman, I had hoped that it would be possible for me to do this on the items as we go along after passage of the first item, because all of the matters which have been discussed can be discussed, as I understand it, under the various sections of the estimates. I had thought that if we passed the first item on administration I could then deal with the various matters; but if there is objection to that—

Mr. Howard: Mr. Chairman, I am sure there is a general disposition in the house to proceed to pass the estimates of all departments within a reasonable period of time, and I assume preferably before next Saturday comes upon us. Such being the case I think there is also the general understanding that as much debate and reply as possible should proceed on the first item, and then the committee would move with dispatch to pass the other items without difficulty.

Mr. Chevrier: Then, Mr. Chairman, in view of that I think I will accept the suggestion made and proceed at once to deal as generally as I can with the matters which did come up for discussion. In the first place I should like to say how grateful I am for the manner in which these estimates have been discussed, not only this evening but when they were up for discussion on an earlier occasion. Having regard to the number of years I have been in the house and to the fact that I sat on the other side for almost six years, I think I can say that these estimates have been given very careful scrutiny and study by all those hon. members who rose to discuss them both this evening and on a prior occasion. I think that is all to the good. I am grateful too for many of the suggestions which have been made, because several of them, not to say all of them, have been excellent, and I shall certainly be glad to give them my utmost consideration.

The hon. member for Winnipeg North dealt with a number of items, and he will excuse me if I do not go into all of the subjects which he brought up seriatim, and in the manner in which he did. But I should like at once to say to him that I think he has shown a tremendous interest since he has been in this house in the matters which he has discussed and in the questions he has posed from time to time. That has been evident from the trouble it has given me to find answers, with those of my officers who surround me, to the multifarious questions which he has asked. However, I might say without any hesitation that all of them have been pertinent and enlightening.

The hon. member referred to the inadequacy of progress in the field of correctional

programs, and at once I must admit, and agree with him, and with those others who have spoken tonight, that there is inadequacy in that field. There are reasons why this exists. I do not make any excuses for it. Unfortunately the progress should perhaps have been greater, but as my hon. friend knows, in a country such as ours there are always priorities. It is unfortunate that matters of this importance should be relegated to, I should not say the bottom rung, but to a secondary level. But none the less, unfortunately that is what happens from time to time. I can assure him that our officers are giving this matter careful consideration indeed. I might add that representations were made to me during the course of the last federal-provincial conference about this very matter and some action will be taken with reference to it.

The hon. member made comparisons between what happens in the United Kingdom and in Canada. Those comparisons were, of course, enlightening, but I should like to say to him that the constitutional position in Canada is entirely different from the position in the United Kingdom. The hon. member referred, for example, to the case of a young boy in Winnipeg whom a magistrate had sentenced to four years and compared it with what happens in the United Kingdom. I am sure the hon. member recognizes that this case, if I understood him aright, is one over which the federal government would have no jurisdiction. Magistrates are appointed by the provinces, except, of course, in the northern territories, and if a magistrate decides to pass a sentence such as that, even though it would appear to be severe in the circumstances, it is not a matter which falls within the jurisdiction of the federal government.

I agree with the hon. member that every member of parliament should visit the penitentiaries of our country, particularly those which are not far from the House of Commons, penitentiaries such as Kingston and St. Vincent de Paul. He knows full well that members of parliament are free to visit these institutions. He and other members have been given the fullest co-operation in visiting them, and this situation will continue.

Reference was made to the Fauteux report and the fact that many parts of it are not being put into effect. As I said earlier, this, also, is a matter which was taken up by representatives of certain of the provinces with me in my capacity as attorney general, and this question is under study.

There was a discussion, too, on the Dion case.

[*Translation*]

Mr. Chairman, here I take the liberty to say first a few words in French on this matter which, as the hon. members of the house know, has been discussed many times in the house not exclusively, but mostly by the members of the Social Credit party and also by certain members of the Ralliement Creditistes.

I prepared a statement some time ago concerning the points raised in relation to this unfortunate case, but considering what is going on today and due to the decision of the tribunal, I believe that I should not make that statement to the house under those circumstances. Furthermore, the case is still sub judice. There will probably be an appeal; as everybody knows, it is possible to go to the supreme court in cases as important and serious as this one.

I would then ask hon. members to excuse me from making a statement today; I shall make it at another time.

[*Text*]

The hon. member for Grey-Bruce brought up a number of matters. He referred to the penitentiary program which was inaugurated by the former government and inquired whether there had been any change with respect to that program. No, as far as I know there has been no change in principle. The program is the same and it is being carried out in accordance with the recommendations which have been made by the commissioner of penitentiaries. There may have been changes as far as the locations of some of these institutions are concerned, but these changes were, I believe, decided upon for obvious reasons.

[*Translation*]

The hon. member for Lotbiniere (Mr. Choquette) dealt with the Coffin case, as did the hon. member for Danforth (Mr. Scott).

[*Text*]

But since most of the remarks with reference to that case were in English perhaps I should deal with them in that language.

I listened very carefully to what the hon. member for Danforth said with reference to the Coffin case and I do not think there is anything useful I can add to what I said this morning on the orders of the day. I do not think the hon. member would expect me at this time to say anything more. There is a divergence of view with reference to what should be done. The hon. member for Lotbiniere suggested a royal commission should be appointed and the hon. member for Danforth did likewise. One hon. member suggested a committee of officers of the Department of

Justice. The hon. member for Joliette-L'Assomption-Montcalm felt the accusations in the book by Mr. Hebert should not be taken too seriously.

I thank the hon. member for Danforth for the time and study he has given to this case. It is easy to see he has spent a lot of time on it. I have no hesitation in saying that he has spent far more time considering the facts, at least, than the Minister of Justice has. But he will not be offended if I say that most of the things he said tonight—not all of them, but most of them—point toward action by the provincial jurisdiction. I would remind him, as I did earlier today, that this matter was referred to the appellate court in the province of Quebec which unanimously dismissed the case. Leave to appeal was asked of the supreme court. It was refused. Thereafter, the governor in council under section 55 of the Supreme Court Act referred the case to the court in order that the convicted person might have the same rights as he would have had if the Supreme Court of Canada had heard the case on appeal. As I indicated earlier, by a decision of five to two the supreme court decided that it would not interfere with the decision of the governor in council. The hon. member is right in saying they did not hear the new evidence.

Mr. Diefenbaker: Not with the decision of the governor in council; that was not a decision of the governor in council. I think the minister is in error, there. It may only have been a slip in expression. But the Supreme Court of Canada decided that if the case had come before it by way of appeal, it would not have allowed the appeal.

Mr. Chevrier: The Leader of the Opposition is right in correcting me and I am glad he did. I return to the interjection made by the hon. member for Danforth, and I say it is because of this new evidence that I have asked the law officers to ascertain if there is not some aspect of the case which the federal jurisdiction should consider. As I have said, I have not closed the door but I will have to await the report of these officials.

[*Translation*]

The hon. member for Lake St. John (Mr. Lessard) raised the matter of sugar.

What grieves me a little is that he said that the Minister of Justice was hiding behind technicalities.

I am not in the habit of hiding because I am rather regularly present in the house, and I am sure the hon. member did not mean it that way but rather in the legal way.

It is a very serious matter, but when he deals with the sugar price, there is no need for me to remind him as well as the house that the federal government has no jurisdiction as far as prices are concerned. Let us not forget, as the Prime Minister (Mr. Pearson) repeatedly said in the house, that if price control is what is wanted another jurisdiction than this one will have to impose it.

Unfortunately, the restrictive trade practices commission's jurisdiction is rather limited.

I have here a section which I cannot read into *Hansard* because it is rather long but you will find in sections 32 and 33 the powers attributed to the commission. They deal with the abolition of combines and, most of all, collusion. When there is collusion between two corporations, the government can intervene through that commission.

I appreciate that the question of sugar is of particular interest to the house because it affects every home, but the fact remains that the government is bound by the law and cannot go beyond it.

I would have liked to deal at greater length with these sections. I may have the opportunity to do so another time, because I wonder whether this is the right time.

I certainly do not want to ignore the suggestion made by the hon. member for Lake St. John (Mr. Lessard) and the hon. member for Villeneuve (Mr. Caouette) who dealt with the organization of our penitentiaries and suggested that we hire competent officials, so as to rehabilitate these people. That is what we are trying to do.

As I tried to say a moment ago, in reply to one of the hon. members who had raised this question, unfortunately there are some priorities to which we must give greater importance—and I regret to have to say that—both in the present circumstances and at the time of the former government, which was faced with the same problems.

The hon. member for Villeneuve mentioned a case in particular, that of Mr. Gignac; I am not acquainted with the details of that case, but I will seek information from the officers in my department.

The hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) asked many questions. He asked me if it was my intention to amend the legislation in 1964 so as to permit the establishment of lotteries. I have already answered that question in the house by saying simply that following the federal-provincial conference I would report to my colleagues and that a decision would be reached at that time—

[*Text*]

Mr. Diefenbaker: Before the minister goes on—

Mr. Chevrier: May I finish the sentence?

[*Translation*]

—with regard to the advisability of amending the legislation.

[*Text*]

Mr. Diefenbaker: Before the minister goes on, I should like to ask him whether he made the statement yesterday and whether he was speaking for the government when, in reply to a request by the international railway brotherhoods for an amendment to the Criminal Code to permit legal lotteries controlled and operated by the government, he said that he personally favours the establishment of lotteries under provincial jurisdiction? In saying that, was he speaking for the government? If not, how can he, in virtue of his position, separate himself from the government?

Mr. Chevrier: I have no hesitation in answering the question. Yes, I made that statement, and I made that statement at the federal-provincial conference. I made that statement openly. I made it before the attorneys general. I made it in the conference. I said that I personally favoured the operation of lotteries under provincial jurisdiction but that I was expressing a personal opinion and these matters had to be considered in the light of the representations that had been made by the provinces. These representations were made to me first by the attorneys general and some premiers and then later by the members of the dominion-provincial conference assembled together. I repeated again there that I would have to give consideration to the representations of the provinces, because many of the provinces were against the operation of lotteries. Several indicated quite clearly that they did not favour them. I believe that on that occasion I gave, as succinctly as I could, the reasons that certain provinces were against them. That is why I say that the matter will be submitted to—

Mr. Diefenbaker: I should like to clarify this. This is a very important matter.

Mr. Chevrier: I should like to continue. Just a moment.

Mr. Diefenbaker: If the minister is turning from that matter to another point then all I can say is that if he does not want cooperation he will not get it. I want to clear up how a minister of the crown can say that this is his personal opinion, and not be representing the view of the government of which he is a part.

Mr. Chevrier: I apologize if I did not allow the Leader of the Opposition to raise the question, but the Leader of the Opposition will remember that I was asked to deal with what had been said. That is what I was trying to do. If questions are forthcoming when we get down to the particular item I will have no objection to dealing with them. Again I say to the Leader of the Opposition that if he thinks I have been brusque—

Mr. Diefenbaker: No, but it is a simple question—

Mr. Chevrier: —I am sorry.

Mr. Diefenbaker: —of how the minister can make a statement like that and not bind the government.

Mr. Chevrier: If I may go on with the other question asked by the hon. member for Joliette-L'Assomption-Montcalm having to do with an amendment to the B.N.A. Act; as I indicated, that again is a matter for a conference of the attorneys general which I said at Banff I intended to call during 1964. There is machinery in the Department of Justice to deal with conferences of this nature. There have been a number of them. This matter is under careful consideration now.

The hon. member also asked about an amendment to the Criminal Code with reference to those who issue cheques without funds. I think all I need say here is that there is a committee within the department that deals with amendments to the Criminal Code and I could ask them to give consideration to such an amendment, if it has not already been done.

I commend the hon. member for Skeena upon his excellent French. In fact, I think it is remarkable that he should speak, or at least write three languages, because according to the press there is another language which he at least writes. In any event, I can tell him that his French was quite good. I join with other hon. members in telling him how well he pronounced it. The hon. member dealt particularly with section 660 of the Criminal Code which has to do with habitual criminals. He paid a compliment to one of the officers of the department, and I am delighted that he did. I should add to what has already been said on this matter, that there is a study being made of amendments to the Criminal Code. I can tell him that the officers of the department will carefully review this section relating to preventive detention.

The hon. member for Burnaby-Richmond dealt at some length with the combines act and referred to a book entitled, "Canadian Anti-Combines Administration", which had to do with restrictive trade practices and the like. I am delighted that my parliamentary assistant has given special study to this matter and I think I shall be guided by much of the advice which he will give me.

I commend the hon. member for Athabasca for his support of the activities and actions of the Royal Canadian Mounted Police. I am delighted that he made the speech which he did. It is not the first time that he has intervened in this house in that respect. I think it is a good thing that members do rise from time to time, as often they do, to support the Royal Canadian Mounted Police. Although some hon. members do criticize the mounted police, I believe that those who do so, criticize constructively. I was pleased to listen to the remarks which were made by the hon. member for Athabasca.

[*Translation*]

The hon. member for Portneuf (Mr. Frenette) and the hon. member for Shefford (Mr. Rondeau) talked about amending the Bankruptcy Act. I say without any hesitation that that act should be amended. The Bankruptcy Act is getting more and more obsolete. I wish to change the word "obsolete" and replace it by the expression "ineffective in some cases".

As both hon. members and the whole house know and as I said on several occasions, we are now studying the Bankruptcy Act in all its aspects.

I hope it will be possible at the next session of parliament to submit a bill amending that act.

I take note of the suggestions which were made by the hon. members for Portneuf and Shefford.

[*Text*]

The hon. member for Timiskaming, along with other members, raised the question of the rehabilitation of prisoners, the aftercare treatment that they should get, and the fact that we should be doing more in order to integrate them into society. I agree with him. I hope it will be possible to increase the estimates for the next fiscal year towards that end. He did refer to one particular incident which took place in Kingston, and I shall ask my officers to look into it.

The hon. member for Greenwood asked me to give consideration to the labour relations practices act, and requested a rehearing of the case. I would ask the hon. gentleman not to press me unduly on the matter because, as he knows, I have received some representations and I am going to receive additional representations on this subject. Until I do, I do not think it would be proper for me to make any statement with reference to his request. I can assure him that I listened carefully to the submissions made by him, and I shall listen carefully to the submissions that will be made.

I think I have covered, as best I can, most of the suggestions that were made in the debate.

Mr. Howard: May I be permitted to put on the record some brief background information about the sugar situation in Canada and to indicate, from my point of view, the smooth, facile and gentle way in which the minister approached this question. His approach left a great deal to be desired, so far as the people of Canada are concerned, and showed that the minister really did not tell all the facts about the sugar situation in this country.

Some years ago the B.C. Sugar Refining Company in Vancouver acquired the assets of the Alberta sugar factories and made them subsidiaries of that company. This acquisition put the company in a monopoly position in British Columbia, Alberta, and perhaps midway into Saskatchewan. A few years later the company took steps to acquire controlling interest of many Manitoba sugar factories, and made them subsidiaries also. This placed the B.C. Sugar Refining Company in a monopoly position in respect of sugar in all of western Canada to about the lakehead, which, I understand, is the break-even point on distribution costs between B.C. sugar refining companies and eastern manufacturers.

It was as a result of this acquisition by B.C. Sugar Refining Company of the Manitoba sugar factories that the combines investigation machinery was put into motion to determine whether or not the proposed acquisition was contrary to the statute. A reading of the report of the restrictive trade practices commission would be most enlightening. If hon. members think that the letter read by my leader, the hon. member for Burnaby-Coquitlam from Mr. Rogers, about keeping things secret concerning the operations of that company was enlightening, they should read the drastic statements he had to make about the steps which should be taken to gain control of the Manitoba sugar factories.

In any event, a charge was laid under the Combines Investigation Act, the merger section of it. This action was lost in the courts. This was the second case which was lost, the first being the one against Canadian breweries. I submit that the case was lost for two reasons. One, the merger provision of the Combines Investigation Act is just about useless, as these two cases proved. Two, the then minister of justice, who has since returned to British Columbia, Mr. Fulton, by the process of prosecuting the case, in fact gave it away.

In 1960 when the minister and the present Secretary of State for External Affairs sat on this side they were most vociferous in their opposition to proposed amendments which were then introduced by Mr. Fulton to

the Combines Investigation Act. They raised a fuss day after day in this house and in the committee on banking and commerce, I believe it was, which was studying the bill, in opposition to the amendments which were proposed at that time. Those amendments became law, and out of all this we really see that the Minister of Justice is probably one of those types which the mother of the hon. member for Red Deer referred to as being able to look both fore and aft when driving a car.

Mr. Chevrier: I thought he did not get the story over.

Mr. Howard: Well, I was closer to the hon. member than the minister.

Mr. Macdonald: That is an interesting admission.

Mr. Howard: In this regard the minister reminds me of the Roman god Janus, who had two faces so that he could look both behind and ahead at the same time. This is the type of minister we have, one with two faces, and one face says, "we would like to do something about the sugar situation," while the other says, "We cannot." If he really had a sincere heart in this matter, the government would have long ago introduced amendments to the Combines Investigation Act so that the law enforcement officers could proceed to deal with the gouging that is taking place by B.C. Sugar Refinery.

When the minister, in his very suave and smooth way, tries to get out of all responsibility in this matter, I can only conclude he is speaking out of the other side of his face, and we will look upon it accordingly.

I was reading the Vancouver *Sun* and I saw where an old acquaintance of mine, one Wilfred Heffernan, a lawyer in Vancouver, is back in business as a prosecutor for the crown in drug cases. When the Conservatives came into office we discovered that they tore up the old patronage list of the Liberals with respect to lawyers to be employed in the prosecution of drug cases, and imposed their own list of Tory legal friends and firms to get the spoils of office by prosecuting in these cases. During the renegade years, as I think they are referred to, Mr. Heffernan and the other Liberal lawyers were out of the picture; but now Mr. Heffernan and other Liberal friends are back in it again, and I wonder whether the minister will tell us that he has put into effect the Liberal legal patronage list that existed prior to 1957.

Mr. Chevrier: In answer to the last part of the question there is no Liberal patronage list so far as I am concerned, and I can tell the hon. member that there are a number of lawyers who were appointed by the former government presently acting in these cases because, as the hon. member knows, some of these cases last over quite a number of years as they go from one court to another.

I would remind the hon. member also that, while he does not seem to approve of what I have said, and thinks I am smug about the manner in which this act is being administered. I am not. I am as concerned about it as he is, and I am as worried as he and some of his people are; but I have to say I am bound by what is contained in this act, and it may well be that in order to put teeth in it, it will have to be amended. I am willing to give consideration to that, because I find that most of the time when investigations are made, or when lawsuits are brought—and I think the house should know this—it is section 32 which is kept in mind, and which says what an offence is. I will not put it all on the record because it is too long, but subsection (2) says:

> Subject to subsection (3), in a prosecution under subsection (1) the court shall not convict the accused if the conspiracy, combination, agreement or arrangement relates only to one or more of the following:
>
> (a) the exchange of statistics,
> (b) the defining of product standards,
> (c) the exchange of credit information,
> (d) definition of trade terms,
> (e) co-operation in research and development,
> (f) restriction of advertising, or
> (g) some other matter not enumerated in subsection (3).

Then it goes on in another subsection and gives other reasons why the court shall not convict.

Mr. Diefenbaker: What year was that particular section brought into effect?

Mr. Chevrier: This section was passed in 1960. Now, I am not complaining. What I say is that the courts are bound by the law. The director of investigation and research is the one who has to put this into effect, and these are the difficulties. But I repeat what I said. I feel that we should give consideration to seeing if there is not some way to strengthen this legislation.

I do not think that we can do anything with reference to the control of prices, and I do not think the hon. gentleman, if he is serious, questions that. But I do think that we can perhaps do something to get at those who are guilty of collusion, mergers, monopolies and the like, and I say that I am willing to ask those responsible for the administration of this act if it is not possible to give consideration to amending it.

Mr. Howard: With respect to the employment of lawyers for drug prosecutions, the minister said that there are still under contract, or however it is done, lawyers who were

appointed under the previous administration. Then he went on to imply that would not be carried on very long, because he said that many drug cases take a long time to conclude, through appeals and the like. I suppose what he does not want to tell us is that he does not want to change prosecuting horses in midstream, but as soon as those particular cases are finished we will find that these lawyers are out of business or prosecutors in drug cases, and this Liberal patronage list, that he does not know about, will suddenly be discovered—just the same as the Liberal patronage list that the Postmaster General and the Secretary of State did not know about suddenly came to light.

When the minister quoted the section from the Combines Investigation Act, that the courts shall not prosecute if the combine, conspiracy, or whatever it was, related to certain things, I would point out to him that when those amendments were introduced in 1960 by the Hon. E. Davie Fulton, the present minister and his colleagues, led all the way by the person who is now Prime Minister of Canada, said at that time that they would do everything possible they could to defeat them, because they were inimical to the interests of the Canadian people.

That was three years ago. They did not do very much about it then, but I thought that since returning to office the Liberals would remember the then clarion call of their leader, and we would have had amendments introduced to bring the act back to a stable basis, and remove it from the distorted condition in which the Conservatives placed it. I hope that if the minister stays in office, by the time these estimates roll around next year we will have had these amendments before us.

Mr. Diefenbaker: I am not going to enter into any argument respecting the amendments to the Combines Investigation Act three years ago, except to say that the concept that bigness is an offence is contrary to the experience of all the nations of the world, particularly the western world. The offence must always be that of doing something to the detriment of the public as a whole. Wherever that detriment is caused, it should be an offence. But in so far as combinations are concerned that are designed for the purpose of making it possible to compete for trade in other parts of the world, and are not in any way intended to interfere with the rights of people in Canada, certainly they should not be legislated against. But I did not rise for the purpose of dealing with that matter, Mr. Chairman. I come back to a question that I asked earlier and which the Minister of Justice answered in a rather cavalier way.

Mr. Chevrier: I thought you had forgotten that.

Mr. Diefenbaker: The other day he advised the federal-provincial conference that he personally was in favour of lotteries operated under provincial jurisdiction. Furthermore, yesterday he repeated the same proposition to a group that met with him. I ask him this, and I hope to get an answer on this question. When he placed that viewpoint before the federal-provincial conference, was it the viewpoint of the government, or was he merely endeavouring to ride two horses, to be able to say, "I am in favour of this. I want to ingratiate myself with those who are in favour of this; but I do not speak for the government"? I am certain that a person with his lengthy experience would not advocate such a proposition. This is a statement made, according to the newspaper report, with regard to an amendment suggested by one or other of the provinces, which he said was acceptable to him and would be supported by him. In making that statement was he speaking only for himself? I ask the minister this simple question. When he made that statement was he speaking for the Prime Minister and the government, or was he merely flying the kite in order to ingratiate himself and establish further evidence of that smile which wipes aside so many arguments so often?

Mr. Chevrier: Mr. Chairman, I hope the smile, if I continue to have it, will wipe aside the question that my right hon. friend has put. I do not want to be offensive, but I am inclined to think he put it with his tongue in his cheek.

Mr. Diefenbaker: No; I am asking.

Mr. Chevrier: I will answer it.

Mr. Diefenbaker: All right; that is what we want.

Mr. Chevrier: Nevertheless, I think I indicated quite clearly to the right hon. gentleman earlier what I had said on two occasions, and I am not attempting to withdraw from that position. But I am saying this. There was a discussion on the subject. No decision had been taken. I think I as an individual, whether it be as minister or in any other capacity, have the right to express my opinion. That need not be the opinion of others. It need not be the opinion of colleagues. But once the government has taken a decision on it, then my right hon. friend is right—I think there must then be collective responsibility, as he has said. If that had been the

case, I think my right hon. friend would be quite right in the position he puts forward. But that was not the case. It was an informal discussion which took place following a subcommittee meeting, and in the course of a very friendly conversation which took place with several of the premiers I made the statement. I can only say that I was expressing my own personal views.

Mr. Diefenbaker: Then, Mr. Chairman, I would like to read the press dispatch with regard to this matter, because I asked the minister whether he was speaking for the Prime Minister. In a Canadian Press dispatch dated December 13 it says this:

> Mr. Chevrier made the statement Tuesday in reply to a request by the international railway brotherhood for an amendment to the Criminal Code to permit legal lotteries "controlled and operated by governments".
>
> He was pinch-hitting for ailing Prime Minister Pearson at the annual meeting between the federal cabinet and the national legislative committee of the international railway unions—

Does the minister say that when he pinch-hit for the Prime Minister he was not exactly sure on what team he or the government was?

Mr. Chevrier: I doubt very much if I used that expression, even though it is in the report. I am not denying the substance of the report; I am denying the words. I doubt very much if I said I was pinch hitting. I probably said that in the absence of the Prime Minister I was acting as chairman of the meeting, and I said about the same as I had said earlier at the federal-provincial conference. This, too, was a very informal meeting with the legislative committee of the railway brotherhoods at which the greatest, I should not say unanimity—

Mr. Diefenbaker: That is what appears.

Mr. Chevrier: —but certainly the greatest informality existed. I do not think I need add any more to what I have said. I was not speaking on behalf of the Prime Minister; I was speaking, again, on my own behalf, but I was acting as chairman of the meeting in the absence of the Prime Minister.

Mr. Orlikow: Mr. Chairman, it was good to hear the minister express such interest in and support for the anti-combines legislation. Coming as I do from Winnipeg, I have had 30 years in which to read editorials in that great Liberal newspaper, the Winnipeg *Free Press*, about this wonderful legislation, this important legislation passed by that great Liberal Mr. Mackenzie King. The minister has mentioned the difficulties the government has had to face as a result of the amendment passed in 1961 by the former government. I express no opinion about that. But if one looks at the record of governments over the years with respect to the anti-combines legislation, most of them Liberal years, he cannot help being struck by the complete ineffectiveness of the legislation we have had in those years.

Some members of parliament, myself included, asked last year, I think it was, for the tabling of the list of prosecutions which have been conducted over the past 15 or 20 years, I think. The list was a long one. I am speaking from memory, but there had been in the neighbourhood of 50 or 60 prosecutions. What do we find? Even when the courts found the companies guilty, they imposed penalties which were really ludicrous. If one makes a mistake and has the misfortune to commit an offence against property, commits a robbery, for example, the first time you are caught and convicted you are likely to get a relatively minor sentence. But if you are caught a second or a third time, the judge—I am not being critical of judges—makes very sure that he impresses upon you the fact that you should not be doing this again, and you are likely to wind up with a pretty severe sentence. I spoke about this earlier in connection with the kind of sentences imposed by judges. But when it comes to companies we see that in this country we have one law for the poor and one for rich; one law for the individual and another for the company—and it seems that the bigger the corporation, the better it is for them. I took the trouble to list these companies to see how many of them were convicted more than once. Speaking from memory—and if I am wrong I apologize—it seems to me that the Eddy Company were convicted four times, and certainly three times.

What are the courts doing about this? Here is a company doing millions of dollars worth of business and making fantastic profits. I do not question their right to do this if they are an efficient company. But in each case the court has imposed a fine of $25,000. In the course of eight or ten years what is a fine of $75,000 or $100,000 to the Eddy Company? That is not a penalty; it is a licence for doing business. It is a licence for stealing from the public, just as much as a man who holds up a store or a bank is stealing.

Unfortunately, these people do not go to jail. The law passed by the former government permits the court to impose a penalty of either a fine or a jail sentence. I ask the minister whether any officer or director of a company in the history of Canada has ever gone to jail for breaking the anti-combines law? I know that his answer will be no. I think the minister should look very carefully in this regard at the experience of the United States, where the officers of some electrical companies were sent to jail, it is true only

for a month, but at least they suffered in the same way as poor people who break the law. Since we have for many years given the courts the option of making the penalty either a fine or a jail sentence, and since the courts have consistently refused to impose the more severe penalty, as they would with an ordinary citizen who breaks the law, I suggest to the minister that he give serious consideration to making the penalty of a jail sentence mandatory at the second or third offence. Because in my opinion the breaking by a corporation of the anti-combines law is just as serious as the breaking of any other law by an ordinary citizen.

Mr. Woolliams: In the United States of America it is optional; it is at the discretion of the court.

Mr. Orlikow: But our courts do not use it.

Mr. Winkler: That is a matter for the courts.

Mr. Orlikow: If the courts do not use it we will have to find another method.

There is another matter which comes to my attention. I took the time to get the reports of investigations made by the anti-combines branch of the department over the last five years and was amazed at the number of investigations which were made. Some involved in the neighbourhood of 15 to 20 reports. Many of them made very specific recommendations. I wonder whether the government is going to give consideration to looking at those reports and taking steps to implement those recommendations. Because if they do not, I suggest that the government is in fact saying that the work of that investigation branch is really useless.

I have put some questions on the order paper, and although I do not want to refer to them in detail I would like to refer to some of these cases concerning drugs. In this regard the commission made a number of recommendations. One important one was that the commission made the charge very clearly that companies who keep the price of prescription drugs in Canada at the highest level anywhere in the western world should have their patent rights taken away. I suggest the government look at that recommendation and introduce legislation to give effect to it pretty quickly.

In the case of the paperboard companies, the commission recommended that the tariffs be reduced. If ever there was a party which prided itself on the establishment of free trade and low tariffs, it is the present Liberal party. Is it not about time that these recommendations, which were made not yesterday or the week before but over the last two or three years, should be put into effect? In the case of Canada Packers the commission recommended steps should be taken in the courts to force that company to divest itself of the control it had purchased in other companies. I ask the government whether they are considering these recommendations, or whether, like so many others, the reports will gather dust on the files of various offices in this and other buildings. I think the sentiments the minster expressed and which we were glad to hear are very fine ones, but the time is long past when pious platitudes suffice. We ought to see some action by the government in this regard.

[*Translation*]

Mr. Rondeau: Mr. Chairman, I should like to add a few remarks.

I appreciate that the minister had to deal with several subjects in reply to the many speeches made tonight, but I would like to get his or his government's views about the appointment of judges in certain judicial districts of our province in particular, where the rolls are too heavy. I believe that the minister forgot to mention this in his reply.

Does his government intend to make appointments shortly in order to relieve the backlog in several courts in our province?

Mr. Chevrier: Will the hon. member allow me to answer this question when we are dealing with the item in question?

[*Text*]

Mr. Douglas: Mr. Chairman, I do not want to take too much time; I simply want to say a word to the minister before the general item passes, because I imagine the other items will not take so long. I am sure hon. members of the committee appreciated the courteous replies the minister gave to the various questions put and statements made. But the minister's replies will not do much to stir up any enthusiasm as to what is the future program of this department. When the minister brings down estimates one generally expects him to map out the programs he has in mind and to set forth the plans and objectives of his department. I appreciate the fact that the minister has been in charge of this department for only eight months and that these were estimates prepared by the previous administration; therefore I think there might be some excuse for dealing with the matter in a fairly low key. But I suggest to the minister that when the next session comes along, at which time we hope he will still be Minister of Justice, despite all the rumours to the contrary which are being circulated—

Mr. Knowles: Paris is no place for him.

Mr. Douglas: We would rather have him here than in Paris. But if he is still minister

we hope we shall be able to get a clear outline of what his programs are in various fields. There is no need for me to go over them all because my colleagues have dealt with them admirably. There is, for instance, the penal system, which, in this country, is archaic. I have listened to the minister expressing his good wishes and good intentions this evening. But we have been listening to such expressions as these for over a quarter of a century.

I remember the Archambault report about which practically nothing was done. Then there was the Fauteux report about which very little has been done. I think we need from the minister a precise statement at the next session of parliament setting out the government's intentions in the field of penal reform. There is a tremendous need for the establishment of a farsighted policy in Canada in conjunction with the provinces. It is not enough for the minister to say that some of these matters come under provincial jurisdiction, that magistrates are appointed by the provinces and that there is not much we can do. The fact is that the federal government can do a lot by entering upon shared programs with the provinces to provide, for instance, probation and placement services. The provision of these services constitutes a most crying need today. Many of the provinces would respond. In fact, some of them are struggling to provide them on their own. I hope when we come to the estimates next session the minister will put before this house and the country a challenging program to bring Canada up to date in terms of its penal institutions and its penal program.

I think the same comment applies to the whole question of anti-combines legislation. This legislation is in great need of strengthening, as my hon. friend from Winnipeg North said a short time ago. Some time ago I drew the minister's attention to the fact that three of these sugar companies which had been found guilty of making an illegal profit on 80,000 tons of sugar were ordered to pay fines of $25,000 each, which was equivalent to $1 a ton or less than one twentieth of a cent per pound. At that time the minister said there was no maximum limit on the fines which could be imposed. But, equally, there is no minimum, either. This legislation needs to be amended so as to make the punishment fit the crime. To fine three companies $25,000 each after an illegal profit has been made on 80,000 tons of sugar is, as I have said before, simply issuing a licence to commit piracy. Again, we hope that by the time the house meets next session the minister will have legislation ready to introduce.

We hope, too, that he will tell us what is to be done about the various reports of the restrictive trade practices commission—reports which have been brought down and upon which no action has been taken. For the moment I am not laying this at the door of the minister because he has only had a few months in which to deal with these things, but we did expect this session and, certainly, we will expect during the next session, some statement from the minister about what he proposes to do. He has promised to look into the matter of the sugar combines. I had hoped there would be some report from him on this subject tonight. But if he has nothing to report at this time, perhaps he will be able to make a full statement to parliament when it meets again in January or February.

Reference has been made by my hon. friend from Skeena to the B.C. Sugar Refining Company. I drew attention the other day to the fact that this company has in the past year increased its operating profit from $5,670,945 to $10,084,271. Its net profit amounted to $2,780,000, a gain of $591,519 over the profit for the previous year. This is the company which was able to say, in a letter sent out by its president to the employees, that due to the higher price obtained for sugar which had prevailed through most of the past financial year the over-all profits of the company had proven to be greater than normal. Then the company proceeded to send out bonus cheques to its employeees of $12 for each year of service, and the letter ends by asking them to keep it quiet. I do not wonder that the president should have asked them to keep it quiet, because this company virtually doubled its operating profit in the course of the past year.

This is the company which got into Alberta and obtained control of three small refineries there. Now it intends to close one of them in Raymond and concentrate production in the other two. At the very time when sugar beet acreage is being increased, at the very time when we ought to be increasing domestic sugar production, this company is closing one of its refineries and then saying that the reason it has had to increase the price of sugar is because the price of the raw material has gone up on the world market.

I hope the minister's department intends to give the sugar industry a most careful examination. The fact that three of the companies this year pleaded guilty in the course of prosecutions initiated by the restrictive trade practices commission, indicates that there is good reason for further investigation.

I also want to express the hope that when parliament meets again the minister will be able to give some further answer to the request we have made so often for an appeal board to be set up, a board to which persons who have been accused of being bad security

risks can go to have their cases heard. The minister said nothing about that tonight. I think the government has taken a step in the right direction by providing some appeal machinery for employees in the government service, but the rest of the public are entitled to equal protection. I will not take the time tonight to go into this matter further, but I will be most insistent about this matter when parliament meets again because I have come across case after case of examples of people who have been discriminated against and who think they are unjustly accused of being bad security risks. They should have the right to appear before some body appointed by the government, to see the evidence and have an opportunity to clear their names.

I trust that when parliament meets again the minister will be able to give us some idea of what he intends to do about these various programs. I think the hon. gentleman has been very co-operative in listening while members of the committee have raised so many problems, but what we would like to get from him is a definite statement as to government policy on some of the questions which have been raised.

Item agreed to.

40. Bankruptcy Act administration, $166,900.

Mr. Peters: Before we pass this item, has the minister anything to say about contemplated changes in this act and its administration? There is a great deal of concern in the business world about the number of small companies which one finds going bankrupt with large involvements amounting, sometimes, to hundreds of thousands of dollars, though the assets may be only a few thousand dollars. There is a saying among some business people that you should have $100,000 in the bank after your third bankruptcy if you are any kind of a businessman. It may not be that bad. I am sure the minister has given some consideration to the abuses that are taking place in the bankruptcy field and I wonder whether there is in contemplation changes in the small bankruptcy field that will bring about much tighter controls than we have at present.

There is some problem with regard to trustees being available for the administering of bankruptcies. In many cases there is great delay in providing trustees for bankruptcies, because of the shortage of such people and the fact that the trustees have to have some experience in the particular field they are going to administer.

Mr. Chevrier: Mr. Chairman, I dealt with that in the French language earlier and I think I stated that changes to the Bankruptcy Act are under consideration in the department now and that I expect at the next session of parliament to bring forward a bill other than the one now on the order paper.

Mr. Douglas: Will sympathetic consideration be given to the report of the banking and commerce committee on Bill No. C-5—I need not go into the details of it—to protect farmers who have sold their produce to processors who go bankrupt?

Mr. Chevrier: I am aware of it, and the answer is yes.

Item agreed to.

ROYAL CANADIAN MOUNTED POLICE

40. Pensions to families of members of the mounted police who have lost their lives while on duty, as detailed in the estimates, $15,894.

Mr. Knowles: Mr. Chairman, may I say a word on item 40. As the minister knows, some of us have expressed concern over the years about the pension position of retired civil servants. As a matter of fact, it is in the category of retired civil servants generally that this problem arises for the most part. I am informed there are some instances of retired officers of the Royal Canadian Mounted Police who have been retired for some time and whose pensions have not had adjustments, such as have taken place in other cases.

As the minister knows, I have been pleading with the Minister of Finance to do something about improving the pensions of retired civil servants. I would hope that the Minister of Justice would participate in this discussion and put in a word for retired mounted police officers who have been retired for some time and whose pensions have not been improved along with others.

Mr. Chevrier: May I say to the hon. gentleman that I saw a delegation in Calgary on this very subject when I attended the Canadian Bar Association meeting in Banff and I had a discussion later with the then commissioner Harvison of the Royal Canadian Mounted Police about this whole matter. The matter is under study and when the opportunity arises I will discuss it with the Minister of Finance.

Mr. Howard: Mr. Chairman, I should like to say that I think we all appreciate the genteel approach of the minister this evening.

An hon. Member: That is the trouble.

Mr. Howard: As one of my colleagues has interjected, that is the trouble. The minister has agreed with practically everything that has been suggested.

Mr. Churchill: It is a change, too.

Mr. Howard: This is appreciated, and we look forward at the next session to so many items on the order paper emanating from the Department of Justice that we will be here well into the fall before we dispose of them. As I have said, in his reply the minister has accepted practically everything that has been proposed to him. Unless he speaks to the contrary now, we will assume that his remarks were not of the same kind as he made to the railway brotherhoods the other day, and that this evening he was not speaking personally but was speaking for the government.

Item agreed to.

The Chairman: Northern affairs and national resources.

Mr. Howard: Ten thirty.

Mr. Peters: Ten thirty.

Mr. Pickersgill: Mr. Chairman, in view of the urgent preoccupation of the Minister of Northern Affairs and National Resources, and as I understand the hon. member for Kootenay West is very anxious to ask the minister some questions and he would love to answer them right now, I wonder if we could continue for a while. I think there are only one or two more speakers. Could we not dispose of the minister's department in the few minutes before eleven o'clock?

Mr. Howard: Mr. Chairman, the minister may be preoccupied with some things but so are other hon. members. I think it would be best to call it 10.30.

Mr. Churchill: Mr. Chairman, we are quite prepared, as usual, to go on for a few more minutes. The log jam has to be broken one of these days. There are eleven departments which either have not been considered by the committee or with regard to which the committee is still on item 1, seven departments which have been started and not completed and only five completed. That is why we of the official opposition are quite prepared to sit a little longer tonight and get on with the business.

Mr. Barnett: If the hon. member had been more willing to help break the log jam about six weeks ago I think we might not have had this problem.

Mr. Churchill: That is a falsehood and you know it.

Mr. Howard: That is a factual statement, Mr. Chairman.

Mr. Woolliams: There is the old filibuster at work again.

[Mr. Churchill.]

Mr. Howard: The Secretary of State made such an impassioned plea the other day to abide by the rules that I think we should now agree with him that it is 10.30.

Mr. Pickersgill: Mr. Chairman, just before you see the clock may I say that I appreciate very much the co-operation of all those who co-operate.

Mr. Churchill: Mr. Chairman, I hope that *Hansard* will record the fact that for the third day in succession now, or more than that, the opposition to sitting longer hours has come from the New Democratic party. In this regard I hope that the *Hansard* reporter will have got the names of the persons, and their party, who have asked the house to rise at this time.

Mr. Howard: Mr. Chairman, just in case the hon. member for Winnipeg South Centre, having lost his prestige, is also losing his hearing, may I again call your attention to the fact that you should see the clock. It is 10.30.

Mr. Churchill: As you did on other nights.

Resolution adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Churchill: Will the house leader reannounce the business for Saturday, and also for Monday if he can do so?

Mr. Pickersgill: I think perhaps it might be better if I had a little conference tomorrow about the order of the proceedings we hope to have on Monday. I reiterate my request, for what it may be worth, that possibly we might have a frame of mind tomorrow when we reach orders of the day that hon. members would be willing to let the resolution respecting the world exhibition go through, so that the bill could be debated at the beginning of next week. But if there is not that consent there will not be the possibility. There has also been put on the order paper today a notice of motion to go into committee of ways and means with respect to a relatively minor matter that is, however, of some importance to the economy. I understand the Minister of Trade and Commerce has discussed it with representatives of all parties in the house and there is agreement to proceed with it at this session, even though it was not in the Prime Minister's list. This is something that has cropped up in the last little while. I want to explain that I appreciate very much the co-operation which was extended to the Minister of Trade and Commerce by all parties in agreeing, notwithstanding the fact it is an addition to the

list, and I appreciate this. If the house were disposed, because the bill will be absolutely identical except in form with that resolution, to go into committee and get the bill introduced, it would save us one step. This is not extremely important and I am not insisting in any way at all on these things, but it would make the order paper a little tidier for Monday.

So far as the estimates are concerned, this is to be the main business for tomorrow. The Department of Citizenship and Immigration will, by agreement, be called first. When it is completed, the minister of northern affairs, who has been available on so many occasions for so long, and who is still hopeful that the committee will be willing to ask him a few more questions and dispose of his department, will be available. My amiable and long-suffering colleague, the Minister of Public Works is very eager indeed to get a chance to hear the questions that are to be asked of him. If we could dispose of those three departments it would expedite greatly the objective I believe we all desire to reach, despite some suggestions that are sometimes made, that is the orderly conclusion of the business of this session.

Mr. Churchill: Is the Postmaster General just as eager as the rest of these people?

Mr. Pickersgill: The Postmaster General is panting, but he is going to have to pant a little longer because hon. members took a little too long with another minister the other day when the Postmaster General was available. In so far as I can cast my mind ahead, Wednesday is the day I had in mind for the Postmaster General and two or three other departments as well.

Mr. Knowles: If we were successful in disposing of these other three departments tomorrow, to use the words of the Secretary of State, could we then dispose of the Secretary of State?

Mr. Pickersgill: No, but we could dispose of the Minister of Fisheries who really has been very patient also, and who is very anxious to be disposed of.

Mr. Winkler: I was wondering, inasmuch as the old faithfuls are present at this hour, if we might not agree to sit a little earlier in the morning, say nine o'clock?

Mr. Pickersgill: This might interfere with some of the committee work.

Mr. Knowles: There is such a thing as the rule of law.

It being fifteen minutes before eleven o'clock, the house adjourned, without question put.

Supply—Items Passed

[The following items were passed in committee of supply this day:]

NORTHERN AFFAIRS AND NATIONAL RESOURCES

National Museum of Canada—

120. Administration, operation and maintenance, $1,229,500.

National parks branch—

50a. Canadian wildlife service—Wildlife resources conservation and development, including administration of the Migratory Birds Convention Act, $96,200.

50. Canadian wildlife service—Wildlife resources conservation and development, including administration of the Migratory Birds Convention Act, $979,700.

40. Grant in aid of the development of the international peace garden in Manitoba, $15,000.

45. To authorize payment to the national battle fields commission for the purposes and subject to the provisions of an act respecting the national battlefields at Quebec (chap. 57, statutes of 1908, as amended), $231,000.

ROYAL CANADIAN MOUNTED POLICE

Headquarters administration and national police services—

1. Operation and maintenance, $7,855,000.

5. Construction or acquisition of buildings, works, land and equipment, $106,000.

Land, air and training divisions—

10. Operation and maintenance, $44,392,000.

15. Construction or acquisition of buildings, works, land and equipment, $2,912,000.

Marine services—

20. Operation and maintenance, $1,697,000.

25. Construction or acquisition of buildings, works, land and equipment, $46,000.

30. Grant to the Canadian association of chiefs of police, $500.

35. Grant to the Royal Canadian Mounted Police veterans' association, $500.

Pensions and other benefits—

40. Pensions to families of members of the mounted police who have lost their lives while on duty, as detailed in the estimates, $15,894.

JUSTICE

A—Department—

25a. Yukon Territory—Administration of justice in the Yukon Territory including the Yukon territorial court, $2,000.

Combines Investigation Act—

30. Restrictive trade practices commission, $104,600.

35. Office of investigation and research, $545,100.

40. Bankruptcy Act administration, $166,900.

Pensions and other benefits—

45. Gratuities to the widows or other dependants of judges who die while in office, $20,000.

B—Penitentiaries—

50. Administration of the Canadian penitentiary service, $650,600.

55. Operation and maintenance of penitentiaries including compensation to discharged inmates permanently disabled while in penitentiaries, $20,128,000.

60. Construction, improvements and equipment, $9,967,000.

Loans, investments and advances—

L25. To authorize the operation of a revolving fund in accordance with section 58 of the Financial Administration Act for the purposes of acquiring livestock for slaughter and subsequent sale for use in institutional feeding, and of acquiring raw materials required to produce canned goods for institutional consumption; the amount to be charged to the revolving fund at any time not to exceed, $175,000.

A—Department—

1. Departmental administration including grants and contributions as detailed in the estimates, $1,378,100.

5. Parole Act administration, $701,500.

Supreme Court of Canada—

10. Administration, $257,700.

Exchequer Court of Canada—

15. Administration, $163,100.

Other courts—

Northwest Territories—

20. Administration of justice in the Northwest Territories including the Northwest Territories territorial court, $189,500.

20a. Northwest Territories—Administration of justice in the Northwest Territories including the Northwest Territories territorial court, $2,000.

Yukon Territory—

25. Administration of justice in the Yukon Territory including the Yukon territorial court, $164,900.

HOUSE OF COMMONS

Saturday, December 14, 1963

The house met at 11 a.m.

INDIAN AFFAIRS

PROVISION FOR DISPOSITION OF INDIAN CLAIMS

Hon. Guy Favreau (Minister of Citizenship and Immigration) 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 the house do go into committee of the whole at its next sitting to consider the following proposed resolution which has been recommended to the house by His Excellency:—

That it is expedient to introduce a measure to provide for the disposition of Indian claims and in relation thereto,—

1. To provide for the establishment of an Indian claims commission;
2. To provide for the duties of the commission, its decisions and awards;
3. To provide for appeals from the decisions of the commission to the Indian claims appeal court; and
4. To enact such financial provisions as may be necessary to accomplish the purposes of the act.

Motion agreed to.

PENSIONS

DISCUSSIONS AT CONFERENCE RESPECTING AMOUNT OF DEDUCTION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): First I should like to say to the Prime Minister that we are glad to see him back in the house. We were disturbed yesterday when the flag at 24 Sussex street was flying upside down. But in all sincerity I would like to say how very glad we are to see him back.

Now I wish to ask the right hon. gentleman a question arising out of press dispatches this morning to the effect that at the dominion-provincial conference the premier of Quebec insisted on Canada pension plan premiums to the extent of 4 per cent instead of the proposed 2 per cent as the price of its agreement to an amendment to the British North America Act permitting survivors and disabled to be included in the plan. The information has not been available to the house, and I now ask the Prime Minister to tell the house what actually took place and whether or not this statement represents the situation.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I should like to begin by thanking my right hon. friend for his welcome back to the house and to assure him that the flag was upside down at Sussex street only because of sympathy for myself, inasmuch as I felt a little upside down yesterday.

Mr. Diefenbaker: So it was intentional?

Mr. Pearson: In so far as the question is concerned, the report in the *Globe and Mail* to which my right hon. friend refers, and which indicates that widows, orphans and invalids are at present included in the Canada pension plan, is inaccurate and based on a misstatement of the published facts about the Canada pension plan. The report, as I have just indicated, says that pensions for disabled people and for younger widows and orphans are at present included in the Canada pension plan.

That, Mr. Speaker, is not the case. The plan as described to the house on July 18 and subsequently, the plan as it has been discussed with the provinces, does not provide pensions for people below the age of 65. It does not require a constitutional amendment. It may be that in the future, if there is a plan in effect, steps can be taken along these lines and those steps would require a constitutional amendment. But that is not the case with the present plan, and there has been no discussion with the provinces of an alteration in the plan to that effect. No constitutional amendment is required for the plan that has been put to the house and to the provinces, and no province has ever claimed any veto over this plan as it has been put forward.

Mr. Diefenbaker: Mr. Speaker, I then ask the Prime Minister to advise the house now whether Premier Lesage insisted on Canada pension plan premiums totalling 4 per cent instead of 2 per cent.

Mr. Pearson: No, Mr. Lesage did not insist on any such thing.

Mr. Stanley Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. In view of the fact that the Minister of National Health and Welfare on July 18, although she made it clear these other items were not included in the Canada pension plan, referred to them as matters to be discussed

with the provinces, may I ask whether Mr. Lesage related the two in any way at the recent conference?

Mr. Pearson: Mr. Speaker, as I indicated a moment ago the government hopes that in due course the plan can be extended in the way that has been suggested in this article to cover widows with dependent children, orphans and disabled contributors, and the possibility of a future extension of the plan in that direction has been discussed with the provinces. This would require a constitutional amendment, and certain provinces have agreed to such a constitutional amendment in the future after the plan is in effect. But all the provinces have not agreed. The province of Quebec has not agreed to that yet, and the matter is still under discussion.

Hon. J. W. Monteith (Perth): Mr. Speaker, may I ask a supplementary question. I think the Prime Minister intimated there was no demand that the total deduction be 4 per cent, but was the possibility of a 4 per cent deduction discussed?

Mr. Pearson: Yes. In the course of discussion the question of an amount for deduction was discussed. It was pointed out that under the proposed Quebec plan there was to be a 4 per cent deduction and under the proposed federal plan there would be a lower deduction. The whole matter was discussed.

TRADE

WHEAT—FINDING OF GLASS IN SHIPMENTS TO RUSSIA

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Minister of Transport. Some time ago he said he was setting up a committee to look into the matter of glass in Canadian wheat shipments and I wonder whether he has a report ready. I also wonder whether he has seen the statement made by Montreal port manager Guy Beaudet to the effect that only one hold in each of the seven cargoes had been contaminated by glass, and not the entire shipments. I wonder if the minister would agree that the sooner a statement can be made to substantiate the statement by Mr. Beaudet, the more we can reassure Canada's wheat customers that the situation is not as serious as it had been made to appear in earlier reports.

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, I had a statement earlier in the week on this whole subject. Perhaps, in view of the item in this morning's newspaper, it would better serve the interests of the house if that particular statement I had ready earlier were brought up to date and included a reference to the statement in this morning's press. This could be done on Monday.

Mr. Douglas: I am sure the minister would agree that the sooner a statement is made the better, in view of the very alarming reports that went out initially. I am surprised the minister did not make the statement when he had it here.

TRANS-CANADA AIR LINES

WINNIPEG MAINTENANCE BASE—INQUIRY AS TO MEETING WITH MANITOBA DELEGATION

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): I should like to ask the Minister of Transport if he now has an answer for the house with regard to the proposed meeting between representatives of the Manitoba government and this government concerning the Winnipeg T.C.A. overhaul and maintenance base.

Hon. G. J. McIlraith (Minister of Transport): Yes, Mr. Speaker, the delegation is coming on Tuesday of next week to meet with the government.

Mr. Churchill: Could the minister indicate the time of the meeting and the room in which it will be held?

Mr. McIlraith: It is ten o'clock in the forenoon, but I do not know the room number.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, will the meeting be in a room where other members from Manitoba can be present, as was the case on June 18?

Mr. McIlraith: Well, Mr. Speaker, the Manitoba group have requested the meeting with the government. So far as the government are concerned, we would be quite happy to have other members at the meeting. However, I would think we would have to clear that with the Manitoba delegation, because after all they are the ones who asked for the meeting. So far as this government is concerned, it is quite happy to have other members from Manitoba present.

Mr. Knowles: Would the minister like to know that the Manitoba members have been advised by the delegation that they would like us there?

Mr. McIlraith: I am sorry that the Manitoba delegation did not do the government the courtesy of advising us at the same time of that fact.

INQUIRY AS TO INVESTIGATION INTO RECENT CRASH

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I wish to direct a question to the Minister of Transport regarding the recent tragic accident involving a T.C.A. DC-8. Could the minister inform the house whether the aircraft investigation branch of the R.C.A.F. has now assumed over-all control of the investigation into the accident?

Hon. G. J. McIlraith (Minister of Transport): No, Mr. Speaker, but I should add that every resource that can be thought of that could contribute to finding out the cause of the accident is being used. There are a great many activities going on and a great many resources being co-ordinated, which involves bringing in investigating teams from many segments of the public service.

Mr. Nielsen: As a supplementary question, can the minister inform the house whether any of the technical personnel from his department are in the United States as observers in connection with the investigation of the recent crash of a Boeing 707?

Mr. McIlraith: I would like to take that question as notice.

STATEMENT BY PRESIDENT RESPECTING CHANGE TO "AIR CANADA"

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I have a question for the right hon. Prime Minister. Would the right hon. gentleman give the house the benefit of his comment on the reported statement by Mr. McGregor in Montreal that it will take three years to change the name of T.C.A. to "Air Canada", and is this now government policy?

Right Hon. L. B. Pearson (Prime Minister): I think I had better look at the record, Mr. Speaker. I am not sure that Mr. McGregor put his statement in that form at all. In any event I will look at the record, and perhaps the Minister of Transport will have something to say about it on Monday.

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I wish to ask a supplementary question.

Since it is rather financial problems which prevent the immediate change in the name of T.C.A., would the Prime Minister contemplate having these expenses paid by the privy council or the Department of Transport, in order to promote bilingualism in Canada?

[*Text*]

NATIONAL DEFENCE

GENERAL FOULKES—INQUIRY AS TO RE-EMPLOYMENT BY GOVERNMENT

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to direct a question to the Minister of National Defence, but in his absence I shall direct it to the associate minister. Has General Charles Foulkes been temporarily re-employed by the government or called to Ottawa in any advisory capacity? If so, for what period?

Hon. Lucien Cardin (Associate Minister of National Defence): Not to my knowledge, Mr. Speaker. However, I shall have the matter looked into and report to the hon. member on Monday.

NATO—REPORTED GROUNDING OF CF-100 SQUADRONS

On the orders of the day:

Mr. Robert C. Coates (Cumberland): In the absence of the Minister of National Defence I should like to direct a question to the Associate Minister of National Defence. According to news reports the CF-100 squadrons from Canada have been grounded, and I should like to know from the minister if this is a correct statement and, if so, for what reason?

Hon. Lucien Cardin (Associate Minister of National Defence): Mr. Speaker, I am not aware that the R.C.A.F. CF-100 squadrons have been grounded. However, I will look into the matter.

EXTERNAL AFFAIRS

DISARMAMENT—VIEWS OF CANADA RESPECTING RED CHINA

On the orders of the day:

Mr. Andrew Brewin (Greenwood): In the absence of the Secretary of State for External Affairs, I should like to address a question to the right hon. Prime Minister. Will the government of Canada take advantage of the conciliatory statement of policy made in San Francisco yesterday by the United States assistant secretary of state for far eastern affairs in regard to negotiations between the United States and red China, to bring to the attention of the United States government the views expressed by the Secretary of State for External Affairs that continued isolation of red China is dangerous and that effective disarmament is impossible as long as this isolation continues?

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker, I will be glad to look into that question. It is one of great importance, and I would not care to say anything more about it at this stage. Perhaps I could have a statement on Monday.

UNITED NATIONS

CANADIAN CONTRIBUTION TO COST OF OPERATIONS IN MIDDLE EAST

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 would like to ask the Prime Minister a question regarding a news item from the United Nations which appeared in the Toronto *Telegram* of December 13, respecting the contributions to be made by the members of the United Nations for the organization's Middle East force. It states:

> The difference between what the U.N. majority is willing to pay and what the west feels the majority should pay will be made up, of course, by the western countries, such as Canada.
>
> Canadian acquiescence to the "compromise" was announced yesterday by Senator T. D'Arcy Leonard of the Canadian delegation in a speech before the assembly's budgetary committee.

I ask the Prime Minister how much will be the extra contributions to be made by Canada to the peace keeping operations of the United Nations, and how much will Canadian taxpayers be called upon to contribute in view of the default among such nations as the Soviet union, some Latin American and some Asian and African countries?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I saw the report in the press to which my right hon. friend refers, and I have asked for a report on the matter from external affairs. I would be glad to say something about it on Monday.

Mr. Diefenbaker: Could the Prime Minister say what instructions were given to Senator Leonard of the Canadian delegation which resulted in him agreeing to a compromise?

Mr. Pearson: I have not got those instructions in my mind at the moment, but I will include that in my statement on Monday.

FEDERAL DISTRICT

REPORTED EXPRESSION OF OPINION BY MINISTER OF JUSTICE

On the orders of the day:

Hon. Leon Balcer (Three Rivers): Mr. Speaker, I would like to ask a question of the Prime Minister. Can he tell us whether the Minister of Justice was expressing government policy when he said last night that he was very much in favour of a federal district for Ottawa?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I think the minister, in the statement to which my hon. friend refers, emphasized that he was expressing his personal views on this question.

FINANCE

REPORTED STATEMENT BY PRIME MINISTER RESPECTING BUDGETARY DEFICITS

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I would like to ask a question of the Prime Minister. In view of the fact that he was not here when questions were put about the statement he made to the Canadian Labour Congress endorsing deficit financing, does he not suggest now that his views are at variance with those of the Minister of Finance, and is he contemplating a change in that portfolio?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker.

ADMINISTRATION OF JUSTICE

COFFIN CASE—POSSIBLE ACTION AGAINST AUTHOR OF BOOK

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 Justice. In view of the serious charges made by Mr. Jacques Hebert in his book, which cast doubts on the honesty of the judicial authority, is it the government's intention to take legal or disciplinary measures against him, if his allegations are proven untrue?

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, I explained yesterday our stand on that matter. With regard to the second part of his question, the hon. member is aware that this matter does not come under the jurisdiction of the federal government.

[*Text*]

CANADIAN BROADCASTING CORPORATION

CORRECTION OF NEWS BROADCAST RESPECTING INCREASES IN ASSISTANCE PAYMENTS

On the orders of the day:

Mr. Ralph Cowan (York-Humber): Mr. Speaker, I have a question I would like to address to the Secretary of State. Does he himself consider that the correction the C.B.C.

news gave at seven o'clock last night with regard to the vote on the assistance payments was itself a correct report of what occurred in this house?

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I did happen to hear that particular correction, and I must say it was just as incorrect as the original report that the hon. member for Burnaby-Coquitlam (Mr. Douglas) made a question of privilege yesterday; because the statement was made that an amendment that was rejected referred to the date October 1. There was no such amendment proposed, and the amendment that was proposed would only have had the effect of delaying the increased assistance payments.

Some hon. Members: Shame.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, would the Secretary of State take this matter up with the minister to whom the C.B.C. reports?

Mr. Pickersgill: No, I do not think I will bother.

Some hon. Members: Oh, oh.

Mr. Douglas: I am afraid you will find him most unresponsive.

QUEBEC

REQUEST FOR ASSISTANCE TO VICTIMS OF LANDSLIDE

On the orders of the day:

[*Translation*]

Mr. Jean-Louis Frenette (Portneuf): Mr. Speaker, I should like to put a question to the Prime Minister. Has any assistance been requested for the people who were the victims of a landslide in St. Joachim de Tourelle and, if so, does he intend to do anything to help out?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker. I assume that a request of that kind, at least in the first instance, would go to the provincial government.

CANADIAN NATIONAL RAILWAYS

TERM OF OFFICE OF PRESIDENT ON REAPPOINTMENT

On the orders of the day:

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I should like to direct a question to the Prime Minister. Could he tell us what is the duration of the present term of office of the C.N.R. president?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, if my hon. friend will look at the statement I made in the house at that time I think he will find this point is covered. I would prefer to leave it at that at the moment. I will send him the statement.

[*Translation*]

Mr. Gregoire: A supplementary question, Mr. Speaker.

I have here the statement the Prime Minister made that day and it does not mention the duration of the term of office. My purpose in asking the question is to get that point cleared up.

[*Text*]

Mr. Pearson: I think it was made clear in that statement that he was appointed for a regular period but indicated his intention of retiring before the end of that period; I think it was after 18 months.

HOUSE OF COMMONS

REQUEST FOR IMPROVED QUARTERS FOR INTERPRETERS

On the orders of the day:

[*Translation*]

Mr. Lucien Plourde (Quebec West): Mr. Speaker, I wish to direct a question to the Secretary of State. My question is related to the one I asked on October 2 last.

Could the minister tell the house whether the government will provide, for the end of January, a new room for our interpreters, since their present room is very cold in winter and much too small?

[*Text*]

Hon. J. W. Pickersgill (Secretary of State): I think I had better take that question as notice, Mr. Speaker.

SUGAR

SUGGESTED INVESTIGATION INTO PRICES AND SUPPLY

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I would like to pose a question to the right hon. Prime Minister and ask him whether the government is now considering an investigation into the whole price structure and supply of sugar in Canada.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I would have to discuss that matter with the Minister of Trade and Commerce. At the moment I cannot add anything to what he has said.

Mr. Olson: A supplementary question, Mr. Speaker. I would ask the Prime Minister, then, if he would use his influence to keep the sugar factories going that are now in operation in Canada, rather than having some of them shut down.

Mr. Pearson: I will be glad to do that.

INDUSTRY

HEAVY WATER—REQUEST FOR REPORT ON NEW PRODUCTION METHOD

On the orders of the day:

Hon. George C. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, I should like to ask the Minister of Industry whether he has yet received a report from his experts who were in Toronto. If not, when does he expect to have it?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I have not received a report from Atomic Energy of Canada Limited. As I said the other day, I expect to have this late on Monday, and I still have that expectation.

POWER

COLUMBIA RIVER—REFERENCE OF STATEMENT TO HOUSE COMMITTEE

On the orders of the day:

Mr. D. V. Pugh (Okanagan Boundary): Mr. Speaker, I have a question for the Prime Minister or perhaps the Secretary of State. The understanding is that a statement will soon be made on the Columbia river with reference to the three governments. In the event that such a statement is made shortly, when will it be put to the house or to the external affairs committee?

Right Hon. L. B. Pearson (Prime Minister): The statement will be made as soon as it can be made. If circumstances make it possible, and if there is agreement, it will be sent to the external affairs committee as soon as that can be done, next session I presume.

Mr. Pugh: A supplementary question. With reference to the delay, if this statement is made shortly, which might occur just before the adjournment of the house, would there be a special call for that committee to meet during the recess?

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I am afraid it would not be possible under the rules for a committee to meet between sessions.

BUSINESS OF THE HOUSE

METHOD OF DEALING WITH CUSTOMS TARIFF AMENDMENTS

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, if I might just say a word before we proceed, from what I have been able to discover there would be no objection to going into committee of ways and means for the purpose of dealing with the government notice of motion which is on the notice paper and which has been, I believe, explained to hon. gentlemen opposite through the usual channels, and some less than usual channels. It pertains to the Customs Tariff, and if it could be disposed of without debate the bill, which will be in substance precisely the same as the resolution, will then be available for debate on Monday.

Mr. Speaker: Is the house agreeable to this line of procedure?

Some hon. Members: Agreed.

Mr. Howard: Mr. Speaker, might I just say that if the Secretary of State would conduct his affairs through the less than usual channels, as he referred to them, a little more often, perhaps more co-operation would be forthcoming.

WAYS AND MEANS

The house in committee of ways and means, Mr. Lamoureux in the chair.

CUSTOMS TARIFF

That it is expedient to introduce a measure to amend the Customs Tariff to provide that tariff items 28a, 209e, 210i and 263e be amended, effective January 1, 1964, to read as follows:

Tariff Item		British Preferential Tariff	Most-Favoured-Nation Tariff	General Tariff
28a	Tea	Free	Free	Free
209e	Potassium chloride ..	Free	Free	25 p.c.
	(Applicable to December 31, 1965)			
210i	Sodium hypochlorite in solution	15 p.c.	20 p.c.	30 p.c.
	(Applicable to December 31, 1965)			
263e	Compounds of tetramethyl lead, in which tetramethyl lead is the preponderant constituent by weight	12½ p.c.	12½ p.c.	25 p.c.
	(Applicable to December 31, 1965)			

Resolution reported and concurred in.

CUSTOMS TARIFF

Hon. J. W. Pickersgill (for the Minister of Finance) moved for leave to introduce Bill No. C-129, to amend the Customs Tariff.

Motion agreed to and bill read the first time.

SUPPLY

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

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

1. Departmental administration, $976,200.

Hon. Guy Favreau (Minister of Citizenship and Immigration): Mr. Chairman, I hope you will convey my apologies to the Speaker for having stood up for more than 30 seconds, as I did a few minutes ago, instead of just bowing when he was desperately trying to introduce the government motion pertaining to Indian affairs. It was a slight case of inexperience and absentmindedness.

[*Translation*]

Mr. Chairman, it has not been the practice of the house, when considering the estimates of the Department of Citizenship and Immigration, to have a general discussion when the departmental administration vote is called. In the past it has been agreed, both by those who have held this portfolio and by members of the committee, that the most effective way of handling the estimates is to provide for discussion of each main area of the department's activities as the first item in that particular area is reached. These areas are the estimates of the citizenship and immigration branches on the one hand and Indian affairs on the other.

To follow this course, I believe, will facilitate the committee's consideration of a department whose activities are diverse and complex, ranging from the Yukon Territory to Cape Breton within our borders, and from Dublin to Hong Kong beyond our shores.

While the range of responsibilities of the Department of Citizenship and Immigration is a broad one, there is a common unity of purpose which binds it together. Each branch of the department is concerned with the most valuable and by far the most complex of our resources: our human resources.

The immigration branch selects future citizens for our country. The two citizenship branches encourage and assist newcomers to reach the status of Canadian citizenship, and the Indian affairs branch is dedicated to assist the Indians to achieve full citizenship.

As the former prime minister, the Right Hon. Mr. St. Laurent, expressed it in 1949 when the department was formed:

> Having citizenship and immigration and Indian affairs in one department would indicate that the purpose of the activities of that department was to make Canadian citizens of those who were born here, of the original inhabitants of the territory, or those who migrated to this country.

I should like at this time to acknowledge the great contribution made by the officers and staff of the department in all its branches.

Despite the great distances which separate many of the activities at home and abroad and despite the variety of responsibilities, the members of the department seem to share in the common purposes and objectives which provide the basis of their organization. I have found that they are competent, that they work hard and that they are dedicated to the best traditions of the public service.

To make progress in the best way, let us start by discussing the first item on citizenship vote 5, the citizenship registration branch. I shall make a statement on citizenship and immigration, covering the general field of votes 5, 10, 15, 20, 25, 30 and 35, after which other members may make their general comments.

When the citizenship and immigration items are completed, we will then repeat the process when the first item is reached on the Indian affairs votes, leaving departmental administration to the end.

With the concurrence of the committee then, Mr. Chairman, I suggest we leave vote 1 and turn to votes 5 to 35 inclusive.

Do I have the consent of the committee?

[*Text*]

The Chairman: Is that agreed?

Mr. Skoreyko: What is the purpose, again, of the minister's request?

Mr. Favreau: The purpose is to enable a more orderly discussion of the estimates. The department is composed of three main branches, citizenship, immigration, and Indian affairs, and I am given to understand that in the past it has been the practice to break up the discussion; to begin, with the minister's general statement, followed by members' discussion on citizenship and immigration, and then for the minister to make a general statement on Indian affairs, followed by a further discussion on that subject. I suggest we might proceed by considering the first item and debating it, and then proceed to item No. 35, after a discussion of which the committee could return to pass the first item.

Mr. Patterson: That may work out satisfactorily, but I recall that when a similar arrangement was tried the other evening it did not succeed too well. After all, if item 1 is not passed there is no minister and no provision for administration.

Mr. Howard: The minister has outlined the way in which this has been dealt with in the past, and what he has suggested does make for a more orderly approach. However, at this stage of the session there is, I understand, a rush to finish our business, presumably by next week end. This being the case the committee could easily find itself in the position of spending an inordinately long time in discussing citizenship and immigration at the expense of the time which

might be available for the consideration of Indian affairs. We might find that everything had to be condensed into the last few minutes of the day. If there could be some guarantee that we would spend an appropriate amount of time on Indian affairs, without extending the hours of sitting as they have been unanimously agreed, I am sure we could look at the minister's suggestion favourably.

Mr. Favreau: The hon. member knows that my suggestion contained no intent to shorten the discussion of Indian affairs, but it is true, as he suggested, that this might be a possible consequence of any such arrangement. I am in the hands of the committee. If the committee would prefer to discuss Indian affairs first, I would have no objection. I think the passage of these estimates would take longer still if we were to have an extended discussion on the first item.

Mr. Howard: I gather the suggestion of the minister was that we should divide consideration of these estimates into two parts, first citizenship and immigration and then Indian affairs. Perhaps we should proceed to consider the citizenship estimates to a point of time about half way in the day's sitting. We could then devote the other half of our time to Indian affairs. That would be perfectly acceptable to me if it is acceptable to the committee.

Mr. Skoreyko: I can see no point in agreeing to proceed until a certain time in the afternoon and then entering upon discussion of another question. I think we should either abide by the suggestion put forward by the minister or else proceed along the line suggested by the hon. member for Fraser Valley.

The Chairman: Is it the wish of the committee that we proceed first to discuss citizenship and immigration; then when we have disposed of that item, go on to consider the Indian affairs branch, and then revert to item one?

Mr. Howard: I think in view of the objection which has been raised we had better do what was done in connection with the estimates of the Department of Justice and have a general discussion. I think we should include Indian affairs in the discussion on the first item.

The Chairman: Perhaps in that case we should accept the suggestion by the hon. member for Skeena and follow the course he has proposed.

Mr. Favreau: The Canadian Citizenship Act came into force on January 1, 1947, and provides for the legal status of Canadian citizens. The act is administered almost entirely by the Canadian citizenship registration branch, which has an establishment of 96 at headquarters in Ottawa, and 64 in the citizenship courts situated in various centres in Canada. The most recent citizenship court was established in Ottawa in March of 1963. There are nine other courts in Toronto, Montreal, Hamilton, London, Vancouver, Edmonton, Winnipeg, Moncton and Windsor.

These, along with the regularly constituted courts, provide facilities for persons wishing to apply for Canadian citizenship. In addition, 56 persons have been appointed to act as courts for the purpose of the Canadian Citizenship Act in remote areas. Four similar appointments have been made overseas for the assistance of servicemen.

At this point I would like to inform the hon. members who have expressed an interest in the qualifications which must be met by an applicant for Canadian citizenship, that a review is at present being made of the standards required of applicants from the inception of the Canadian Citizenship Act to the present time, with a view to establishing as far as it is possible uniform criteria across Canada.

In 1962, 72,080 persons became Canadian citizens. This is the third highest number for any one year, the highest being in 1957 when 95,462 certificates were granted, and the second highest is 1958 when 84,183 grants were made. From January 1, 1947 to December 31, 1962 a total of 654,379 persons have been granted citizenship in Canada. In addition, 389,586 certificates were issued to persons who wished to have proof of their status as Canadians.

It has been ascertained that approximately 40 per cent of the immigrants who entered Canada in the 10 year period 1953 to 1962 who are eligible for Canadian citizenship have become Canadians. Fitting and appropriate ceremonies for the presentation of certificates of citizenship can provide a most important symbol of the benefits to new Canadians and to others also of the acquisition of Canadian citizenship. For this reason consideration is being given to expanding the number of courts. Plans are at present being considered for the establishment of a court of Canadian citizenship in Calgary. Through these media and through appropriate publicity it is hoped to encourage a greater number of people to apply for Canadian citizenship.

With respect to the Canadian citizenship branch, it is responsible for two main programs; first, developing a greater degree of understanding of Canadian citizenship and of group relations amongst newcomers, Indians and Canadians generally through advisory and financial assistance to organizations and

agencies engaged in citizenship education and community action; and second, for immigrant instruction by providing textbooks to provincial departments of education and others conducting classes for adult newcomers, and by providing matching grants to provincial and territorial governments for citizenship and language teaching costs.

The increase in this vote is minimal, about 3.5 per cent. It results almost entirely from the larger amount provided for payments to provinces for the conduct of language classes for immigrants. For such classes the federal government matches the contributions made to local school boards by the provincial governments. The increase results from higher teachers' salaries and increased efforts to reach immigrants in remote areas, housewives and hospitalized newcomers, and to develop language courses within the vocational retraining programs for immigrant workers. The only other allotment which has increased over the past year is salaries, up about 2 per cent as a result of the salary revisions. There have been no increases in staff.

There is one development in particular which I should like to bring to the attention of the committee. As hon. members are aware, persons of Indian status and ancestry have been moving to urban areas in rapidly increasing numbers during recent years. In general, Canadian communities have been quick to respond to the needs of these people, and their adjustment has been aided considerably by the establishment of friendship centres in a number of urban communities. The first of these centres was organized in Winnipeg in 1957 and eight more have been added since that time. Last year new centres were started in Toronto, The Pas, the Battlefords, Prince Albert and Edmonton. Interest in friendship centres is increasing. It is hoped and expected that many others will be organized within the next few years.

[*Translation*]

I should like at this time to outline some thoughts of the government on immigration matters and a few developments which have taken place since I took office several months ago.

That Canada should continue to encourage immigration is self-evident; people from other lands make a positive contribution to our nation's economic and social well-being. There are considerations of national interest for encouraging immigration and there are other more human considerations, such as family re-union, the reduction of discrimination based on origin or creed and the acceptance of charitable and humanitarian responsibilities. Through immigration we can do much to abolish antagonisms and to foster understanding.

Our manpower needs are changing and the needs of other countries are changing with conditions and circumstances. For this reason, immigration policies should be reviewed fairly frequently. There is another reason as well: it has been established for many years that immigration to Canada is not a fundamental human right, but a privilege, and that mass immigration should take into consideration the general economic and social factors of Canada.

With these considerations in mind, the government in 1963 has continued the policy initiated by the previous government early this year of pursuing a more aggressive program. It has been difficult to increase the flow of immigrants, but a beginning has been made.

During the first 10 months of this year, 79,628 immigrants arrived in Canada, and I expect that by the end of 1963, there will be about 92,000. This compares favourably with the 1961 and 1962 totals of 71,689 and 74,586 respectively. Our objective for next year is to revert to the pre-1959 figures of well in excess of 100,000, the exact number to be determined by the response to improved methods of recruiting immigrants of suitable types.

During the past months, we have been conducting an intensive study of immigration policy and procedures. We have particularly concerned ourselves with Canada's economic requirements for manpower and population and with Canada's humanitarian responsibilities. As for immigration from an economic viewpoint, we have concluded that it should consist mainly of young, skilled workers and of entrepreneurs with the capital and experience needed to become established in their own self-operated enterprises in Canada. Such persons fit into our economy and society with little or no difficulty and, far from taking employment away from Canadians, they can be instrumental in helping create jobs for unskilled Canadian workers.

To obtain such immigrants, the department will pursue a vigorous informational and promotional program in the countries which have traditionally been our principal sources, such as the United Kingdom, France and the U.S.A. To this end we intend to open two offices in France, in addition to that which has been at Paris for many years, if the necessary arrangements can be made with the French authorities.

We shall continue to provide service to immigrants in other parts of the world as interest and volume warrant. In this respect,

we have recently established permanent offices in Cairo and Madrid, and an officer has been assigned to Beirut on a temporary, experimental basis.

In countries where our offices are not located, travelling teams of trained immigration officers will continue to make periodic visits to assess the qualifications of individual applicants and determine their suitability as future Canadian residents. So far this year, officers who visited the West Indies and central and South American countries, have selected 1,139 persons on the basis of individual merit. Travelling officers have also selected 1,106 persons living in various Pacific islands and countries in the Middle East.

With respect to humanitarian immigration, we have continued to give recognition to Canada's position as one of the more prosperous countries in the world community, by providing for special movements of persons in a refugee or quasi-refugee situation, as a result of war or other disaster.

To illustrate, 217 refugees sponsored by reliable persons were admitted during the first 10 months of this year, even though the immigrants could not meet the normal occupational requirements for admission, and arrangements are being completed for an additional 192 refugees in similar circumstances.

Also, Canada as a special project, in co-operation with the United Nations high commissioner for refugees, undertook to settle 24 physically or socially handicapped refugees. They have now been settled in employment by immigration staffs and I am happy to say are doing well. In addition to such special movements, of which these are but two, approximately 1,000 refugees have come individually for settlement; and I am at the moment giving consideration to a pilot project for the movement of 100 families from Hong Kong in co-operation with the council of churches.

It is important to achieve the best possible integration of policies relating to employment and to immigration, in the light of the most reliable economic studies that can be made.

Arrangements are in progress to establish an interdepartmental committee of senior officials of interested departments to assess the economic aspects of immigration policy on a continuing basis and to advise my department in this respect.

In the course of reviewing our policies I have also been attempting to bring the Immigration Act and regulations more into line with changes which have taken place in our economic and social environment and with advances in the field of medicine. This is a many-sided, complex and sensitive area. I am reviewing very carefully representations which have been made to me concerning certain of the immigration regulations which on their practical effect can create arbitrary distinctions in the privileges of sponsorships which are enjoyed by Canadian citizens.

Moreover, I shall be introducing within the next few days a system for assessing settlement arrangements for sponsored immigrants according to standard criteria. This should do much to clarify the requirements and obligations of sponsors and thus eliminate most of the uncertainty which has existed with respect to the matter in the past.

Finally, plans for integrating customs-immigration primary inspection at border ports of entry have been put into effect, with total savings to date of almost $300,000. In carrying out our integration plans, we have taken care to ensure that no immigration or customs officer at present employed will be deprived of his job.

This terminates my introductory statement concerning the citizenship and immigration branches.

May I turn now to the various problems affecting Indian affairs.

[*Text*]

In introducing discussion of the estimates of the Indian affairs branch I should like to pay tribute to my immediate predecessors in office, who maintained and developed many of the basic programs initiated prior to 1957 and who, in turn, laid the foundation for many worth-while projects which we shall be moving forward as quickly as possible.

I wish also to thank members from all sides of the house who have written and spoken to me about ideas and suggestions and who have sent forward constructive criticisms. Many of the members have shown their interest by well taken and searching questions, either put orally or placed on the order paper. This non-partisan interest and concern for the welfare and advancement of Indians has been heartwarming and encouraging for me in taking up the responsibilities of superintendent general of Indian affairs. I am confident we can continue to work together effectively in our efforts to find the best means of assisting the Indians of Canada to make the difficult adjustment required to meet the demands of a bewildering and complex time.

Indeed, it is only if we all work together in this house, and with the full co-operation and support of the provinces, municipalities, churches, voluntary agencies and private efforts of Canadian citizens, that success can be expected for the Indians. There are no single measures on which we can rely for a solution of the problems involved. The task calls for hard work and sacrifice. We must be ready to accommodate ourselves to the

legitimate demands of the Indians, and to recognize and respect the different values and aspirations inherent in their culture. We must go much further and create bonds of confidence and mutual respect. We must listen as well as speak, and learn before we attempt to teach.

We know from experience here and abroad that doing things for people, giving them gifts and granting them favours, brings many evils; complacency and patronage on the part of the giver, dependency and loss of confidence for the receiver. Our primary task, then, must be to provide opportunities for the Indians to help themselves. At present many Indians rely heavily upon the federal government and upon the protective and restrictive provisions of the Indian Act for their economic and cultural survival.

The Chairman: Order. I regret to interrupt the minister, but his time has expired.

An hon. Member: Let him go on.

The Chairman: Is it agreed?

Some hon. Members: Agreed.

Mr. Favreau: I thank the committee. We must make it possible for them of their own free will and in their own time, to regain self-confidence, to maintain pride of race and achieve control under their own leadership. This result, when attained, will eliminate the need for special programs, special legislation and special services. As long as these are required, the goal of independence on an equal footing with other Canadians will not have been accomplished.

Not the least of the needs we face is a new look at Indian legislation. We are proceeding to review the Indian Act as quickly as a sound and thorough consideration will permit. Our objective in amending the act will be to give the Indian people a stronger voice in the conduct of their own affairs. The emphasis will be on Indian initiative and responsibility, and a loosening of the paternalistic ties. We also propose to follow the practice first begun in 1951, and repeated in 1955, of consulting Indian groups and bands before this new legislation is passed.

Another matter requiring attention is the establishment of an Indian claims commission. The joint committee of the Senate and House of Commons on Indian affairs recommended that such a commission should be established to hear matters of long standing concern and grievance to Indians. A resolution to introduce this legislation is now on the order paper, and it is my hope that this resolution will pass and that the bill will be given first reading before the house rises. Once this is done I intend to send the proposed legislation providing for the disposition of Indian claims to the Indian bands and organizations across the country for study and consideration.

One of the most encouraging aspects of Indian affairs today is the interest being taken by the provinces and provincial agencies in the welfare of the Indian people. I refer to the provincial and local school board co-operation that is enabling thousands of Indian children to attend integrated schools; to the increasing participation of Indian bands in provincial social and economic assistance programs; to the co-operation received from provincial governments in the road building program for Indian reserves; and to other examples of provincial interest and action which I shall mention further on in the course of my remarks. Also I acknowledge the very welcome aid being given by various private agencies who join with us in a desire to better the future for fellow Canadians of the Indian race.

Last month, for the first time in Canadian history, the question of Indian affairs was discussed at a federal-provincial conference. I am glad to report a large measure of agreement. It was agreed that Indians should be associated more closely with the life of other Canadians and that Indians have full equality of opportunities. It was recognized that the time has come to find the basis on which the widest possible range of federal, provincial and municipal services currently provided to non-Indians can be extended to Indians, and that the Indians must be consulted throughout. It was agreed that a further meeting should be held, if possible by May 1964, at which provincial ministers and their senior officials would discuss with us this whole question in greater detail. Preparation and planning for this next meeting is now under way. I sincerely believe that through this new development we are entering a new phase and have reached a turning point in the field of Indian affairs in Canada.

A sound body of knowledge is essential to the continuing development of effective programs. The government, therefore, is sponsoring a Canada-wide Indian research program. In announcing this undertaking in the house on December 2 last I mentioned that the study, conducted by social scientists from the universities, would 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. In addition to the main areas of research, a number of supplementary studies would be made on related subjects.

Basic to our efforts is the willingness of the Indian people to carry themselves forward. The great majority, I am certain, are determined to take advantage of every opportunity provided to them for advancement.

Opportunity requires sound training, both academic and technical. The 1963-64 estimates for the Indian affairs branch reflect the emphasis on education in that 57.1 per cent of the amount requested is designated for education purposes, including an amount of $25,294,810 for the administration, operation and maintenance of the school program and $5,792,000 for capital expenditures. There is an increase this year in the operation vote attributable to an over-all increase in enrolment and an expected rise in education costs for Indian children attending non-Indian schools. The number of children enrolled in non-Indian schools now exceeds 18,500, or almost 40 per cent of the Indian school population.

A scholarship program for Indian students has been continued from previous years with encouraging results. In addition other financial assistance, including the payment of tuition fees, was given to 3,344 students to enable them to complete high school, university and vocational training courses. Indian parents, too, are showing greater interest in education. There are now 40 Indian school committees which are in effect embryonic school boards, and which constitute a basic step toward Indian responsibility for the operation of schools on reserves.

Efforts toward the inclusion of Indians in welfare programs of the provinces must be continued and intensified. It is recognized that there is also a need for the establishment of services designed to help those residing in Indian communities to provide for their own needs. The establishment of such services is now under active consideration.

The opportunities for mature and competent Indian men and women, prepared to give leadership in the reserve community and elsewhere, are constantly broadening. Emphasis is being placed on training programs to enable Indians to develop more fully their potential capacity for leadership roles. Utilization of training facilities and resources offered by various governmental and private organizations has made possible marked expansion in this field.

Economic development programs are vital. In agriculture, provision is being made to continue and expand the practice of lending cattle on rotation to selected Indians. Agricultural conferences to stimulate interest and improve the methods used by Indian farmers have been successfully undertaken, and Indian farmers are being encouraged to avail themselves of the services offered by the federal and provincial departments of agriculture.

The number of selected Indians placed in permanent employment, with the co-operation of the national employment service, is growing year by year and has now reached a total of 1,617, including 477 in 1962-63. In addition there were over 5,000 rural and seasonal placements made last year with assistance from the national employment service. This does not include the many Indians who obtained employment independently or with assistance from their local agency superintendent.

Extensive assistance is provided those Indians who still pursue their traditional vocations of hunting, trapping and fishing, and harvesting wild crops. A ten year agreement with the province of Ontario concerning renewable resources development has completed its first year of operation and shows promise. Similar programs are being carried on in other provinces by formal agreement, as in Manitoba and Saskatchewan, or under informal working arrangements. Notable in the latter case are joint surveys of the renewable resources potential in British Columbia and Quebec.

The value of handicraft production as a supplementary source of income is recognized by inclusion in the estimates of an amount to provide for instruction and supervision, the furnishing of raw materials, and the purchase and sale of finished handicraft items.

Another matter of importance is the expanding economy of the Indians is the development of forest resources on Indian reserves. Provision is made in the estimates for forestry investigations and for the continuing costs of reforestation.

Various measures by which the government seeks to alleviate distress caused by seasonal declines in employment are being applied on Indian reserves throughout the country. Indian bands are participating in the municipal winter works incentive program and, up to the the end of November, 43 applications from Indian bands, totalling $143,000, had been approved. In addition 70 projects amounting to $383,000 will be carried out on Indian reserves located within designated development areas. A further 650 projects, totalling $1,200,000, have been provided for under a special Indian community employment program for bands which lack the funds to enable their participation in the winter works incentive program.

In all economic programs an effort is being made to involve Indians in planning and

management, by recruiting as much as possible from the ranks of the bands concerned the help required to carry on day to day supervision, and by submitting proposals to band councils before programs are undertaken. It is hoped that through experience gained by these means, Indians will qualify for permanent positions in the activities of the economic development division and gradually take over management of their own affairs.

The need for more and better roads to facilitate access from Indian reserves to neighbouring non-Indian communities is recognized in the estimates. Such access is becoming increasingly important as the integrated school program proceeds. Similarly the adjustment of Indians to the general economy requires free movement between the reserves and centres of employment and marketing. Also recognized is the need for adequate water and sewage facilities in Indian communities. Substantial amounts will be expended for improving these services. Concurrently, emphasis will be placed on education campaigns designed to enlist the co-operation of Indian bands in improving sanitation facilities on the reserves.

In conclusion may I emphasize that the programs which I have outlined have one main purpose in mind; to assure the greatest possible measure of opportunity, equality and well-being for the Indian people. To be successful we need not only the assistance of all levels of government but also of voluntary organizations, private individuals and the general public, and above all the active support, co-operation and assistance of the Indian people themselves.

Mr. Skoreyko: Mr. Chairman, I listened with a great deal of interest to the minister's somewhat lengthy statement because I believe, as he does, that this is a very interesting department indeed. I am glad he has enlightened us to some extent with regard to what he intends to do within the next year. I noted with interest that the minister was not at all pleased with the number of immigrants who had been admitted to Canada in the last three or four years and that the Liberal party is now embarking upon a program whereby some 100,000 or more immigrants will be asked to come to Canada in 1964. The minister did say specifically that advertising and immigration programs would be undertaken in countries such as the United Kingdom, France and the United States. He also said that the requirements for admission to Canada would be the same as those drafted by that very able minister of citizenship and immigration, Mrs. Ellen Fairclough, who unfortunately is no longer in this house.

I am wondering, of course, whether the Minister of Citizenship and Immigration intentionally overlooked the question of immigration from other countries. I say this because during the last election and shortly after numerous press reports in the country indicated that the minister was going to change the Immigration Act to favour the admission to Canada of Chinese in particular. In view of these promises I think we should have heard something today about these proposed changes. I hope that during the course of the afternoon he will be able to enlighten us in this regard.

I feel I would be remiss in my duty, Mr. Chairman, if I did not say that I sincerely believe the Minister of Citizenship and Immigration is endeavouring to do a good job in his department. I have handled a number of immigration cases from my constituency and others, by reason of my ethnic background, so I have had considerable dealings with the minister and I thank him for his co-operation. At the same time I want to deal with some aspects of the act that I think are unnecessary or at least, to be less unkind, very dangerous.

I wish to deal specifically with two cases. One is the Weldon Chan case. Newspaper articles of as late as June 3 last indicate that the minister is going to determine what is to be done with this particular family. The following is reported in the Calgary *Herald* of June 3 last:

> Before reaching a final decision, the immigration department will have to re-examine the Chan case thoroughly.

Every one of us in this house knows there is sufficient evidence on file and sufficient evidence available to enable the minister to determine what is to happen to this particular family in the matter of a day or two. What concerns me is that I remember well what happened in this department when the present Secretary of State, who is not in the chamber at the present time, was in charge. I tell the minister that we will be watching these developments very closely. If there is any suggestion that some of the moves the minister has made—although I agree with him at the moment—have been made for political purposes, as has been the case in the past, I will be the first to question them in this House of Commons.

The second case, which is very similar indeed to the Chan case, is that of Irene Rebrin of Vancouver. I understand this young lady was also promised that something would be done with regard to her status in Canada. She was promised that her case would be reviewed very soon. This promise was made by the minister early in May. This is now December 14, and Irene Rebrin of Vancouver still does

not know what is her status in Canada. I bring this matter to the attention of the minister only because we were bitterly criticized for our alleged lack of concern in these cases, and it appeared to a great many people in Canada that if the Liberals were in fact elected they would look after these matters immediately. As I pointed out earlier, some of these promises were made in May of this year; it is now December and we have heard no more about them. I hope the minister in his remarks this afternoon will enlighten us with respect to these two matters.

The other matter that I touched on very briefly a moment ago was the promise of the Minister of Citizenship and Immigration to change the Immigration Act to favour Chinese immigrants. An article which appeared in the Montreal *Gazette* of September 24 last has this to say:

> Sweeping changes to regulations governing the admission to Canada of Chinese immigrants were forecast Monday night by immigration minister Favreau.
>
> He also told a meeting of the Canadian Chinese community that he plans to visit Hong Kong later in the year to investigate problems associated with the movement of Chinese immigrants from that city to Canada.
>
> Mr. Favreau said he intends to "seek a fair and just solution to the vexing problem of Chinese immigration to Canada".

This statement was made in September of 1963. Has the minister now visited Hong Kong; and if he has, unknown to me, what were the results of that visit?

I now wish to deal with the act. It appears that some of the more difficult applications for admission which over the last three or four years were refused by the Conservative government have been approved in recent weeks. They have been approved under section 8(1) of the Immigration Act which, just to enlighten the house, reads as follows:

> The minister may issue a written permit authorizing any person to enter Canada or, being in Canada, to remain therein.

Since amendments are contemplated to the Immigration Act, I wonder whether it would not be advisable for the minister to consider a complete review of this particular section and to refer it, indeed to refer the entire act, to a committee so that some degree of unanimity would be reached as to a change which would be acceptable to the house. I think a change is required in this act which would favour the admission into Canada of people from any country in the world.

The other section I want specifically to deal with is section 31(d) of the regulations. I spoke about this in 1959, and it is the section dealing with the admission of people from behind iron curtain countries. This section cites a long list of countries to which it is applicable, and I am dealing in particular with Ukrainians and Poles, people from that particular part of Europe. Unfortunately under this section there is an age limitation of 21 years. I realize that we must take into account our security, our health, and I suppose many other factors; but I suggest to the minister that since he is using his discretionary powers under section 8, and in view of the many requests for admission to Canada of people over the age of 21 by childless relatives in this country, could the minister not use his powers of discretion in this regard? I say again that I do not like this power of discretion section and would like to see it eliminated; therefore I would also like to see section 31(d) amended.

I want to deal specifically with the problem under subsection (d) of section 31 of the regulations. I have in my city at least four cases of Polish, Ukrainian and Russian people who are childless and who have estates ranging from $25,000 to $150,000. Because these people are childless they made application to adopt a nephew or niece living in Poland or somewhere behind the iron curtain. We will not admit these people to Canada at the present time because they cannot qualify by reason of age. In one particular instance which occurred about three or four weeks ago a hotel owner who had made application for admission to Canada of one of his nieces died shortly after having made the application, which was refused on the ground that there was no provision under the existing regulations for the admisison of such a person. What will happen in this particular case? The hotel and estate are probably worth $150,000 at least. In this instance there are no other living relatives of this deceased man in Canada, so I suppose the money which accrues from the estate will go to Poland, will it not? In the light of what I have said I think certain changes are necessary and should be considered by the minister.

There are many other sections of the act with which I wish to deal, but we are very anxious to get on with the estimates. I understand there is a lengthy list of speakers on Indian affairs, and I do not want to detain the committee any longer than absolutely necessary. However, I do want to bring to the attention of the minister one more matter which comes under the Canadian Citizenship Act. It concerns section 18, which states in effect that a Canadian citizen who is not Canadian born may lose his Canadian citizenship if he has resided out of Canada for more than a period of ten years.

The position into which that section puts an immigrant Canadian is this. Let us suppose that a young chap emigrated to Canada

and obtained a job with an international corporation. Although this man would be a Canadian citizen in due course of time he could not take a permanent posting in a foreign country and still remain a Canadian citizen were he to remain in that country longer than ten years. I suggest most sincerely that section 18 of the citizenship act should be repealed.

May I conclude by saying that I hope the minister will be in a position to answer some of the questions I have posed to him this morning. I know there will be other questions coming from the floor, and he will be in a position to deal with them more fully as time goes on.

Mr. Brewin: Mr. Chairman, the subject of immigration is one of very great human interest as well as economic interest. It affects the rights of a great many Canadians who have come to this country, and many more who will come from all parts of the world; people who come here to aid in the development of the Canadian economy and to enrich the culture of Canada.

In opening my remarks I should like to compliment the minister and to congratulate him on his appointment and on the way he is carrying on his duties. I have had a good deal to do over the years with the department of immigration, sometimes in what might be called an adverse, if not a hostile, fashion; but I should like to pay tribute to the sympathy and to the liberal—with a small "l"—attitude with which the minister and his staff and officials have dealt with many cases of hardship which are from time to time called to his attention.

I want to congratulate the minister on some of the excellent speeches he has made on the subject of immigration. I have particularly in mind a speech he made on September 13 of this year to the annual meeting of the real estates agents of the province of Quebec. In that speech the minister dealt most effectively with the widespread myth that immigrants put Canadians out of jobs. I think we should nail that fallacy, because it just is not so. In fact, as the minister pointed out at that time, the more than two million immigrants who have come to Canada since the end of the first world war have brought to this country an immense addition of capital and skill.

The minister gave an example in the course of his speech. He pointed out that between 1952 and 1962 more than 9,000 of them established businesses of their own and paid $116 million for those businesses, creating employment for 45,000 people. He also pointed out in his speech that more than $1,117 million had been infused into the Canadian economy between 1946 and 1962 by immigrants in addition to nearly half a million dollars worth of effects and property brought into this country. Immigrants have contributed, and will contribute, to the welfare of Canada as a whole.

I have complimented the minister, but in case he should think I intend to continue in this vein indefinitely let me tell him right now that there are grave deficiencies in our Immigration Act and in the regulations governing the admission of immigrants to this country, as well as in administration. I was glad to hear the minister say that this question was under active review—I think that was the phrase he used—and that changes would be made. I know the hon. gentleman has been in office for only eight months. I know he has been handicapped by the fact that during part of that period he had no deputy minister. I might, in passing, congratulate him on the acquisition of Mr. Isbister as deputy minister. But there are these difficulties.

Let me try to summarize them. In my view racial discrimination remains both in the act and in the regulations. I intend to deal with this matter later on. We have, and I say this advisedly, farcical immigration proceedings. There is a lack of elementary justice about these hearings. We refuse entry on grounds which are not disclosed to the applicant, so that people often do not know why they cannot bring their wives or children into this country. An explanation is refused them. They are told simply that the applicants do not meet the requirements. I know there is an explanation of this, and perhaps the minister will give it to us later, but I still think the position is unsatisfactory. The requirements are so vague that it is often impossible for an immigrant or his sponsor to determine what conditions he has to meet in order to enter this country.

I have summarized some of these deficiencies. Now I want to discuss them in a little more detail. In another of the excellent speeches he made, on this occasion to the Chinese community in Vancouver on September 23 of this year, the minister made a statement with which I am heartily in accord. I am sure it does in fact represent his views on this particular matter. He said:

> I have been distressed by the accusations of discrimination which have reached me. If prejudice exists in immigration matters it must be eliminated. True Canadianism permits no discrimination. All citizens are equal in rights and responsibilities regardless of ethnic origin or creed. It is with this view in mind that I am most sincere in my efforts to wipe out discrimination and prejudice.

I accept this as being a sincere expression of the minister's attitude on this matter. However, I wish to point out that so far, in practice, the form of the regulations and the form of Canadian law do not bear out that excellent statement of principle. The

Prime Minister of this country, commenting on legislation in the United States in answer to a question I asked him on October 18 concerning a Mr. Wayson Choy, a Canadian born citizen who was refused admission to the United States because it was said that half his ancestry was Chinese, made this statement as reported on page 3738 of *Hansard*, and I commend him on it; it is an admirable statement:

> At the outset 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.

The Prime Minister went on to say, as reported on the following page:

> While it may not be appropriate 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.

Again that is an admirable statement, but I think it is time we ourselves eliminated certain discriminatory features which are written into our laws. Before we try to cast out the mote in the eyes of our neighbours we should, if I am quoting the scripture correctly, cast out the beam which is in our own eyes. I wish to read one section of the act to see whether it does not fall directly within the condemnation of the Prime Minister with respect to United States legislation. Under section 61 the governor in council is given certain powers. I am not suggesting for one minute that the governor in council would use those powers in an arbitrary way, but the section does give him power to make regulations, among other things—

> (g) prohibiting or limiting of admission of persons by reason of
> (i) nationality, citizenship, ethnic group, occupation class or geographical area of origin,
> (ii) peculiar customs, habits, modes of life or methods of holding property...probable inability to become readily assimilated

—and so on.

It is we in this parliament who have given power to the governor in council to restrict admission to this country by any order in council or regulation on account of the applicant's ethnic group, the geographical area from which he comes, and so on.

The minister may very well say, "We do not exercise that power; there is no discrimination left in the regulations themselves". I wish that were the case, but it is not the case. One of the former ministers of citizenship and immigration to whom reference has already been made in this debate, Hon. Mrs. Fairclough, used to say, when certain changes were made in the regulations, that discrimination had been eliminated from the regulations. Unfortunately that is not so.

I think I should explain briefly that there are two main streams of immigration into this country. First there are those admitted under regulation 31 by reason of their education, training and skill. I acknowledge that under this section no sort of discrimination is written into the regulations. But there is another stream of immigration into this country; that is, immigration on what might be called family grounds, the right to bring people in so as to reunite families.

What do we find there? With regard to the right to bring one's relatives into this country we find a clearcut discrimination against people of Asian or African origin. The regulation provides that people who came from any country of Europe, including Turkey, or from any country of North, Central or South America or the islands adjacent thereto, or from Egypt, Israel or Lebanon can bring in a son, daughter, brother or sister, as well as the husband or wife, and the unmarried son or daughter under 21 years of age of such son, daughter, brother or sister. But this list of countries eliminates a not inconsiderable portion of the globe. It eliminates the whole of Asia with the exception of Turkey, Israel and Lebanon. It omits, as I read it, the whole of Africa with the exception of Egypt.

What is the standard with regard to these people? If they wish to bring in their relatives they are far more limited in their power to do so. That discrimination, whatever the reason, remains in the regulations as they exist and are administered at the present time. I suggest that if the excellent words that have been used by the minister himself and the Prime Minister as to the elimination of discrimination are to be carried out in practice as well as in theory, those who come from Japan, China or other parts of Asia or from Africa, from whatever country it may be, should be put in precisely the same position, with regard to their right to bring in members of their family and connections, as those who come from South America, Europe or any other part of the world. I say that until that is done there will remain in the regulations, which are part of the law of this country and for which the government is responsible, the very discrimination which the government says, and I believe sincerely, that it desires to eliminate.

In the limited time I have I am not going to attempt to go into a whole series of cases. My colleague the hon. member for Danforth called my attention to a case that he dealt with where a Chinese gentleman of some substance in the city of Toronto, Mr. Sing

Chong, sought to bring in an orphan granddaughter, 17 years of age, who had got out of China and was in Hong Kong. Her father was dead and her mother had disappeared. He sought to bring the child into the country and he was refused. Why? Because the regulations say that people from that part of the world, no matter what their need is, no matter how appropriate it may be, cannot bring in their grandchildren; but if they came from some other part of the world they would be able to be admitted. My first suggestion then, Mr. Chairman, is that in the amendment of the regulations we should remove the last traces of discrimination that exist therein.

I also spoke of another matter which those who deal with the subject of immigration seldom appreciate. I refer to the question of whether a would-be immigrant or a sponsored immigrant is or is not entitled to have a proper hearing as to the reasons for the refusal of admission into this country. We have spoken a lot about the bill of rights, the right of a person to know what is the case made against him, the right to a fair hearing. We have talked of these things, but we do not practise them in this particular field. Let me say that any unfairness applied to people who seek to come into Canada creates a bitterness that does damage to Canada and to Canada's reputation throughout the world, and in the world of today we cannot afford not to live up to the principles which we expound so eloquently from time to time.

What is the situation in regard to this matter? I have to give a hurried summary, but the basis of the Immigration Act is that under section 5 there is a whole series of prohibitions of people who for one reason or another should not be admitted to this country. No one will complain about the fact that parliament has included these prohibitions, but it is not these prohibitions that are used as the instrument of selection with regard to who shall come into this country. It is that particular prohibition which says that those who fail to comply with regulations passed under the act shall not be admitted, and the control of entry into this country is based upon the existence of certain regulations made by order in council. Only incidentally and occasionally does the department call into effect the prohibitions that are made under the act.

In passing the Immigration Act parliament indicated that a person who sought admission to Canada was entitled to a hearing before an administrative officer with regard to whether he fell or failed to fall within these prohibited classes. But what is the actual practice in respect of this matter? I say that by administrative machinery many of these hearings have been turned into a complete farce because of the regulation that is applied. Even though the government and the department may have some reason for which they wish to exclude a particular immigrant, they do not advance that reason. They do not say anything about it. They say "You do not comply with the regulations because you have not got a visa", or "You have not got a medical certificate" or "You have not got a letter of pre-examination". Where do they get these things? They get them from the department and the department, without giving any reason, refuses to give them these documents they are supposed to have. So these people sit down in a hearing before a special inquiry officer, a hearing directed by parliament under the act, to decide whether or not they have a piece of paper which the department has given them no opportunity to get, which does not mean anything at all, which they know they have refused and intend to continue to refuse. The result is that people about whose health there is no question at all can be and are refused admission in the daily administration of the act on the ground that they do not have a medical certificate. When they ask where they can get a medical certificate they are told "You can get it from a medical officer we appoint, but we will not give you an appointment to find out if there is anything wrong".

I had a case come to my attention just the other day of a Scotswoman who was divorced from her first husband and remarried. Her first husband came to Canada and has lived here a good many years. In the event her second husband also left her but her first husband returned to Scotland on a visit. They resumed what had previously been lawful matrimony but now presumably was a common law union or living in sin. The former wife returned to Canada and has been living with her first husband, but she is now in the process of being deported. Why? Not for any crime she is supposed to have committed, not for any immorality that is alleged against her. I never have thought it particularly immoral for a woman to go back to live with her first husband if her second husband has deserted her. No such reason has been advanced, but rather that she has not got a letter of pre-examination. Nobody ever told her she was supposed to have such a letter. She came to this country as a visitor originally and stayed with her husband. She has a job working in a retail store and her husband has a job. They are perfectly able to look after themselves.

What has happened in this case? First of all she was told she could not come into this country because she did not have a medical

certificate. However, as the hearing went on she produced her passport with a medical certificate stamped on it. So that reason did not stand up. The hearing was then put off for a few days, at which time she was then told she did not have a letter of pre-examination. She was asked "Have you got a letter of pre-examination?" She said, "No, I do not know what it is; I do not know anything about it". Then they said to her "You are to be deported because you have not got this letter that you do not know anything about and that only we can give you and which we have no intention of giving you".

This is not some person from some strange country. This is a Scotswoman who has a job and who is living, as I say, in sin perhaps with her former husband. Mr. Chairman, it appears to me to be one o'clock, so perhaps I can stop here and resume later.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Brewin: Mr. Chairman, before lunch I was endeavouring to point out what I believed to be some of the weaknesses in the Immigration Act, regulations and practices. I did point out that the regulations were being used in a manner that deprives an applicant of the type of fair hearing that I think parliament contemplated when it passed the Immigration Act, and provision for which was made in a number of sections. The applicant is not given the real reason for the refusal. I do not think it was contemplated that the hearing would be farcical, but rather that it would provide the real reason why the applicant would not be allowed to come into Canada or join with his relatives in Canada.

I should like to add a further point on the right of appeal from the decision of the special inquiry officers. I would suggest that this right of appeal is too restrictive at the present time. I suggest that the appeal tribunal should include at least one person of judicial, as distinct from administrative, position, and further, that it should be given power to make recommendations on compassionate grounds, rather than merely dealing with the legal correctness or otherwise of the inquiry officers' findings. I further suggest that reasons for the decision of the appeal tribunal should be published, so that those concerned with these matters would know the basis upon which the act is being administered.

Another criticism made of the regulations, Mr. Chairman, is their vagueness as to the standards of admission. For example, regulation 31, which as I said is a key regulation, uses phrases like these: "By reason of education, training, skills or other qualifications, is likely to be able to establish himself in Canada"; "has sufficient means of support to maintain himself in Canada until he has so established himself". The sponsorship requirements contain equally vague language. I was very glad to hear the minister say that in the next few days the established criteria would be published. In my opinion, this is urgently needed because without these criteria the sponsors, the families of those who are brought in, do not know what sort of standard they are supposed to establish. They have hopes, but they have no means of determining how they fail to come up to those required standards, or what they must do to bring themselves within the standards that would enable them to bring their relatives into the country.

I should like to say something about the general economic implications of immigration. We have to recognize that, however desirable increased immigration into Canada might be on general principles, the continuance of large scale unemployment is bound to act as a brake upon immigration. When over 300,000 Canadians or 4.5 per cent of our working force are unemployed, the resistance to increased immigration is both natural, inevitable and to some extent justified. We have to plan for an expanding economy so that we can, in our own interests and in the interests of the world community, welcome a steady and increasing flow of immigrants into this country.

Some time ago, Mr. Chairman, I came across what I thought was an admirable statement of the principles upon which the responsibilities of governments in the field of immigration were based. This statement is taken from the report of a conference sponsored by the world council of churches in June of 1961, held at Leysin, Switzerland. There were represented 75 churches representing 30 countries. With regard to immigration they laid down the following principles:

(a) The need to avoid any exclusion of migrants on the basis of race, nationality or religion;

(b) The responsibility to help ease population pressures in situations where feasible migration can make a contribution;

I suggest the British West Indies is an example where that might be applicable so far as Canada is concerned.

(c) The humanitarian claims of migrants in situations of special hardship;

(d) The particular claim of the political refugee upon the help of the world community.

I stop there to say that I welcomed what the minister told us about the admission of

refugees. However, I suggest it may be helpful to put in the regulations themselves some discretion on the part of the minister, or perhaps some indication as to the basis upon which refugees might be sponsored and admitted into the country so that the public could know what could be done to deal with this problem. Then, to continue the quotation:

(e) The vital importance of preserving the family as a unit, making every effort to avoid separating the wage earners from the rest of their families over an extended period and facilitating reunion when members have migrated;

(f) The responsibility for friendly reception and assistance in the adjustment of the migrant;

(g) The need to support the efforts of international organizations in the field of migration to increase their scope and effectiveness.

I understand that some years ago Canada withdrew from the United Nations organization that dealt with the problems of migration throughout the world. I suggest the government should take another look at this matter:

(h) The need for the speedy development of unused economic resources so that each country can make a maximum contribution to the welfare not only of its own citizens, but of those of other lands.

Mr. Chairman, I would like to acknowledge that the minister has told us of an intensive study of immigration procedures, and I would express the sincere hope that we see the results of this study brought into effect before too long. I have read in the newspapers that the minister may possibly be called upon to shoulder other responsibilities. I assure him we wish him well, if that is so; but nevertheless I hope he will stay long enough in his present job to introduce amendments to the Immigration Act and make new regulations which will embody the result of the intensive study which he says is being undertaken.

In conclusion may I summarize the recommendations we would make to the minister:

1. That the act and the regulations be amended to remove the traces of discrimination that remain, and perhaps I am being polite when I use the word "traces", because I think it is more than that.

2. That the regulations and practices be changed so as to give would-be immigrants and sponsors the reasons for the refusal of admission.

3. The abandonment of the practice of using procedural requirements of visas, medical certificates, letters of pre-examination as a means of denying the real hearings contemplated by the act.

4. The improvement of appeal procedures.

5. The clarification of the basic standards of admissibility.

No. 6, and this is one I have not mentioned before, is the inculcation in all immigration officials of the expansive and welcoming philosophy which has been so well expressed by the minister himself from time to time, but which sometimes does not seem to permeate to the lower levels of his department.

If these changes are made Canadians will be able to maintain a policy of immigration which remains selective but that is fair in its application, and which will encourage the continued flow of immigrants that will be required if Canada is to attain the prosperity and greatness of which she is capable.

Mr. Patterson: Mr. Chairman, I realize the committee is now working against time, and I do not propose to deal at length with all the important phases of governmental and administrative activity that fall under the jurisdiction of the minister. However I do want to make some observations with respect to two of them, and I shall be as brief as possible. No doubt some of my colleagues will also have observations to make and questions to ask pertaining to the various items as they are called.

I believe the minister has endeavoured to inject more of a humane element into the operations of the department. While we recognize the necessity for rules and regulations, in this department there should be a readiness to consider people as people, and not as cases. In private conversation some of my colleagues have said that the minister has shown an extreme willingness to co-operate in endeavouring to get certain applications cleared and uncertainties removed. That is to his credit and I hope with regard to a couple of the matters I have brought to his attention he will expedite them a little better than has been the case to the present.

Rather than starting with citizenship and immigration I want to refer first to the first inhabitants of this great nation of ours. Indian affairs require the vigorous attention of the minister—

Mr. Rheaume: On a point of order; the Eskimos were the first citizens of Canada.

Mr. Patterson: We will let that go on the record unchallenged. However, we do look upon the Indian people as the original settlers in the major part of the country. There are quite a number of Indians in Fraser Valley, and I enjoy good relations with them when endeavouring to assist them in working out their problems. The aspirations of the Indian people are becoming better known to the public in general.

I expect all hon. members received copies of the December 1963 issue of the magazine

"Human Relations." On page 4 there is an article written by a young lady, Kahn-Tineta Horn, from the Caughnawaga Indian reserve, Quebec, entitled "Indians seek to regain their rightful status." I should like to read the first and final paragraphs in it:

> Most readers know about Indians, but a very small percentage really know any of us personally. We were here for thousands of years before the white men came. We number about the same as some other minorities. Despite this, we are regarded as second class citizens by many, and we are blocked socially, economically and educationally.

The final paragraph reads:

> But we do intend to rise to our proper level in the scheme of life, socially, educationally, economically.

I believe that points out the aspirations of the Indian people, in spite of the views heard by certain people that the Indians do not look forward to filling their rightful place in society. The Indians feel they have been not so much discriminated against as neglected, and we have been indifferent to their plight. In spite of this they are endeavouring to rise above those obstacles and obtain their true position in our economy. It is our responsibility to do everything we possibly can to help them achieve it.

There have been various submissions made to this and previous governments, and I would like to refer to the resolutions presented at the 1963 convention of the North American Indian brotherhood, the first of which has to do with the court of Indian claims. We do not have to urge this any longer because, as has been pointed out by the minister, notice of legislation for it appears on the order paper today. I am sure the Indian people will be very happy and re-assured that the government has at least got to the point of placing it on the order paper.

I understand we are going to have the opportunity of studying the bill over the Christmas recess, or between sessions of parliament, and it will be discussed with the Indian people themselves with a view to ascertaining their views and recommendations in connection with it. Some time ago I received a communication in this respect which asked if it would be possible for the delegations to meet with the minister and discuss these serious problems. I am sure the minister will see to it that this opportunity is given to those who have worth-while contributions to make as far as proposals and recommendations are concerned.

Another resolution that appears here has to do with credit facilities. I should like to read section 2:

> Be it therefore resolved that Indian financing be reviewed and amendments made thereto to the aforesaid statutes and regulations so that responsible Indians will be able to improve their financial position in respect to business activity and other endeavour.

We are sometimes inclined to consider that the Indian people may not be too dependable as far as credit arrangements are concerned, but I suppose that is true of some white people as well. I feel sure that those who are in a position to make application for credit would be very careful that the credit rating obtained would be maintained and their obligations fulfilled. Other recommendations in this particular brief have to do with training in agriculture and other matters. Some of them have to do with provincial jurisdiction, and others with federal jurisdiction. I am sure the minister has a copy of this brief. We are expecting that in the working out of the program for the future, in an endeavour to re-establish, rehabilitate and provide development opportunities for the Indian people he will take all these things into consideration.

We have received a copy of the speech made by the minister in his role of superintendent general of Indian affairs to the Indian-Eskimo association conference held in Regina on October 25, 1963. We found it very interesting and believe that if this program is carried through we will see a real improvement in the lot of the Indian people across the nation. The minister states on page 3 of this document:

> Perhaps the most significant development of the post-war years has been the emergence of Indian leadership. The full significance of this new leadership is just beginning to become apparent.

Then on page 6 he continues on the same theme:

> As Indian leadership develops, we can expect to see more and more Indians voice their own views not only concerning Indian affairs but about other Canadian topics as well.

Then he goes on to mention that some of their criticisms may be severe, and so on. He expresses the view that all Canadians should have a right to make known their views in regard to the problems facing us. I do think the minister is cognizant of all these various problems and issues. I am not going to take the time of the committee to stress them at any length today, but I want to just say this. Now we have progressed thus far in regard to the review of Indian problems and matters connected with the native people, the native people themselves will be expecting the minister to proceed expeditiously in the implementing of these various proposals and the carrying through of the promises he has made and the plans he has drawn up in this connection. That is all I wish to say at this time, Mr. Chairman, in regard to Indian affairs.

I want to make just a brief reference to the other branches of the department. We notice on page 13 of the annual report of the Department of Citizenship and Immigration a reference to Canadian citizenship registration. It points out that applications for citizenship received by the branch ranked third highest in its history, exceeded only by the years 1957 and 1958. I think this is encouraging if it indicates that a greater number of people who come to Canada make up their minds to take up Canadian citizenship. I think it is rather paradoxical that we have in Canada, I would say, a considerable number of people who come here, take up residence, enter into various activities, earn their living, make their money, but yet never put themselves in the position where they can fulfil their responsibilities of citizenship. They want the privileges but they hesitate to accept the responsibilities. I am not suggesting that it should be mandatory that after a certain period of time they should take out citizenship papers; but I just want to point out that it seems to me highly unfair and perhaps illogical that these people who make Canada their home, who earn their livelihood, some of them raising their families here and seeing them established, have never themselves accepted the responsibilities of Canadian citizenship. I think everything should be done to give this matter some attention and some publicity so these people will realize we have recognized the problem and feel they would be making a far greater contribution, not just to themselves but to Canada, if they would accept the responsibilities of and perform the duties that rest upon Canadian citizens.

Attention has been called to the matter of immigration and the increase that took place—the comparatively small increase—in the previous year. We welcome the statement of the minister that he is looking forward to at least 100,000 immigrants coming annually to Canada. I think this is rather—I was going to say conservative, but I somehow do not like to use that term too much; but I will have to use it anyway and say conservative with a small "c", because I believe that a nation such as ours is well able to absorb a great many more than 100,000 people per year if our society were organized properly and if our policies made it possible for them to fit into our economy. We think of the great area that comprises Canada. I should like to refer to "Guide to Canadian Citizenship" which has been put out by the citizenship branch of the Department of Citizenship and Immigration. I think it is a very fine little booklet, and if it receives wide distribution many more people would at least understand some of the basic facts related to Canada to at least a greater degree than is the case at the present time. On page 36 it is pointed out that Canada is the second largest country in the world; only the Union of Soviet Socialist Republics has a greater area. Canada covers close to four million square miles, which means that it is about the same size as Europe including European Russia. At least geographically we can lay claim to being a tremendous country, a tremendous nation; but the unfortunate part about it is that it is inhabited by only 19 million people. When we consider this in relationship to the population per square mile in other countries, it looks as though we are occupying an area that is far greater than our numbers warrant.

I recognize the fact, of course, that people cannot live in all parts of Canada. I was interested to note the other day that someone was suggesting we bring some of the Tibetan people over and put them up in the Rocky mountains. There is lots of room there. I do not know how they will get along, but it would not hurt if some people were living up there, if they could survive. A great part of Canada is uninhabitable, but we can absorb and have room for a far bigger population than we have at the present time. We talk, Mr. Chairman, of the future of our nation and we picture the place we occupy in the scheme of things. We talk of Canada's influence in international affairs. We build a glowing picture of the future that is ours. But I submit that if we are to reach that objective and achieve that destiny we will have to see to it that there are a great many more people in Canada to help us build a nation of that description.

We accept the statements of the minister with regard to his plans for immigration in the future, and we wish him well. I have here an article which originally appeared in the Abbotsford, Sumas and Matsqui *News*, in my home town, which is reprinted in the Hope *Standard* of October 30. Hope is another town in my constituency. The article is headed "More Immigrants Needed". I will not take time to read it all, but I would like to read one or two paragraphs of this interesting article.

> This ridiculous thought, voiced by some people, of keeping Canada for Canadians does not make sense...
>
> We have the resources—tremendous resources—but we do not have the manpower to make use of them.
>
> It is a fallacy to state that more immigrants will create more unemployment. They would do just the opposite, provided they arrived with some skills and some knowledge of the language.
>
> Of all the unemployed in Canada, few are recent immigrants. In fact the immigrants who have reached these shores in the last ten years have probably created more employment for others than the total of jobless now.

I think some of the figures, given by the minister in a speech to which reference has been made by the hon. member for Greenwood, emphasize this fact. I do not propose to take the time of the committee to put those figures on the record again, but they show the numbers of immigrants who have come to Canada, the skills and resources they have brought with them, the number of industries which have been established; and lest we think they all move into the industrial areas, the figures indicate that a great number purchase and rent farms. These people are making a real contribution to the Canadian economy. I agree that the bringing of more immigrants into Canada does not necessarily mean that there will be fewer jobs for the Canadian people; I believe there will be more.

In conclusion, Mr. Chairman, I want to suggest that if we are going to achieve the objective of increasing immigration to Canada, and if we are to build up this nation for the future, then we will have to see to it that our monetary and financial policies are adequate to meet the challenge. If we do not make these reforms then we are going to be faced with insurmountable problems in bringing more people into the country. We have to make these adjustments, and I suggest that if we are bold and venturesome enough to move out into this area into which so many are afraid to move, and that if we move forward with resolution and make these necessary monetary and financial changes, then we are going to be able to open our doors and accept an ever increasing number of immigrants from the nations of the world, thereby making a contribution not just to Canada but to the whole world and to humanity in general. It is unreasonable to assume that it is either desirable or proper for us to try and restrain population growth. We should move as quickly as possible in the opposite direction, consistent with the ability of our economy to absorb those who wish to come to this great country. With these observations I yield the floor, because I realize there are many others who want to speak about this seemingly interesting subject about which so much can be said.

[*Translation*]

Mr. Caouette: Mr. Chairman, a department which employs 5,147 civil servants, its estimates amounting to $67,528,820, is certainly an important department and I congratulate the minister, Mr. Favreau, for having been chosen as its incumbent. In the Department of Citizenship and Immigration, the minister and his senior officials must act at all times with great diplomacy and be vigilant regarding the admission into our country of citizens from varied countries of the world.

Mr. Chairman, into the area which I represent, Villeneuve riding, have come a great number of immigrants from Germany, Poland, Ukraine and Sweden. There are also some Danes, Italians, French, Belgians, in short a cross-section of all the nationalities in the world.

The minister and his high officials must study each of the numerous requests they receive from people who want to settle in Canada, in order to prevent, as far as possible, the coming to Canada of subversive and undesirable elements, which happened in some occasions in the past. Therefore, immigration must be selective so that our country will have good people, respectable people, people who will not destroy our customs and our good name, but will increase our country's reputation by taking part in our various economic and social activities.

Mr. Chairman, I wish to draw the minister's attention to the fact that intensive publicity is made in some European countries to encourage immigrants to settle in Canada. Canada is represented to them as a garden of Eden where they can live without assuming any responsibility but having all advantages that can be possibly imagined.

And as mentioned earlier by the hon. member for Fraser Valley (Mr. Patterson), the migrants planning to settle in Canada must be made aware of the responsibilities that they will have to assume after coming to this country. They must also learn to carry out these responsibilities. They must not think that when they are in Canada, they will have nothing else to do but live in pleasant idleness in a garden of Eden where everything will come free.

Mr. Chairman, when immigrants arrive from overseas, they usually are guaranteed a job for a year or two. As a matter of fact, they start working almost as soon as they arrive, while there are thousands of unemployed in this country. All over Canada, we hear our jobless complain about this state of affairs, not because they are against immigrants, but rather against the Department of Citizenship and Immigration, which does not take into consideration the economic conditions prevailing in this country, when the government intends to receive 100,000 immigrants per year.

Mr. Chairman, may I refer to my own area as an example. Immigrants arrive with employment contracts in their pockets, which enable them to get a job immediately in one of the mines: Noranda, Bourlamaque, Sigma or Malartic. Try to imagine the reaction of Canadians who have lived in this area for 10, 15 or 20 years and have had to queue up at the unemployment insurance office for a

year or two, because a few mines have closed down. As I said, those Canadian unemployed have nothing against the immigrants, but they have resentment against the Department of Citizenship and Immigration, which nevertheless authorizes 100,000 immigrants per year to enter this country when they cannot find jobs in the same industries.

Mr. Chairman, while 100,000 immigrants are coming in annually from different countries of the world, we have this paradoxical situation that, in the meantime, thousands of Canadians cross the border to the south to settle down in the United States. Surely there are reasons which prompt our Canadian fellow citizens to do so, especially at a time when the department is encouraging the immigration of 100,000 persons a year.

Why do Canadians emigrate to the United States? Surely there are basic economical reasons. Our people probably get better salaries in the United States, better employment opportunities, and so they leave Canada, their parish, their province and their friends to settle down in a foreign country. Mr. Chairman, I think the Department of Citizenship and Immigration should take those facts into consideration.

I completely agree with the hon. member for Fraser Valley (Mr. Patterson) when he says that it would be possible to bring in more immigrants than we are doing, but not at a time when we cannot even guarantee employment and security for our own citizens. If we had an economic system providing for the economic development of Canada, then, I think it would be easy to increase materially the number of immigrants coming to Canada, because I submit everything has yet to be done in our country, we have hardly begun developing its physical possibilities.

If our financial and monetary situation allowed us to begin those developments, security and freedom would be guaranteed to all our citizens within two years, and that, even if we were bringing in more immigrants than we are doing at the present time because then it would be sensible for them to come and live in a new country where everything remains to be done, where natural resources are practically undeveloped.

Mr. Chairman, as far as immigration is concerned, I call the minister's attention on this point: there are Canadians who are not satisfied and unfortunately, some of them blame the immigrants because they think they are taking their jobs. I do not think so. But it is obvious that we will have to try and solve that problem, about which our Canadian citizens are concerned, before going ahead with the immigration program. Our Canadian citizens should be our first concern, they are the ones who should get our first consideration. As for the immigrants, let us stop our immoderate and exaggerated publicity in Europe which leads people to believe that in Canada, they could make a livelihood without facing any responsibility. A few years ago, some Hungarians who had landed in Montreal lost no time in returning to their country because they had been misled over there before deciding to come to Canada.

Mr. Chairman, I do not intend to dwell on the subject of immigration. I might say, in conclusion, that in our area immigrants behave like gentlemen. I had the opportunity on many occasions to meet in their clubs some Italian, Ukrainian, Polish and German people, and all of them, without exception, felt very much at home in our area. They are good workers who do credit to our district. We need immigrants like those, but I must stress one point: before bringing more immigrants to Canada, let us try at least to look after our own people.

I would like to add a few words about Indians. The Indian affairs branch in Ottawa and the department of natural resources of the province of Quebec seem to disagree on the question whether the Indians living in northern Quebec come under the jurisdiction of Quebec or Ottawa.

My good friend, the hon. member for Lapointe (Mr. Gregoire) has recently drawn the attention of the house on the small islands situated to the north of the province of Quebec and asked that these islands be granted to the province; the inhabitants of those small islands, whether Indians or Eskimos, would naturally become citizens of the province of Quebec. In northern Ungava, in the James bay area, there are also some Indians. I sincerely think that the minister is looking after their case and is co-operating with them. They need assistance.

A moment ago, an hon. member said that the Indians had been the first owners of our land. He was right. The government's duty is to make it possible for the various Indian tribes to acquire as much knowledge and know-how as possible, while retaining their own traditions and customs; their civilization may not resemble ours, but they have their own culture and education. It is up to us to help them become good citizens, people with confidence in the white man instead of fear. Indians have been taught certain aspects of history, transmitted to them from generation to generation over the years, and they have learned that three or four centuries ago, the white man has not always been very kind to them. Today, let us try to give them faith in us; they are human beings; let us help them to develop within the framework of a state

which should be—and this is my closing remark—a shining example of respect for human rights held up for the whole world to see. That example, this parliament in Ottawa, and the Canadian nation, as a whole, are quite capable of giving.

[*Text*]

Mr. Otto: Mr. Chairman, I will be my usual brief self. The minister has had a very easy time of it this morning and this afternoon, and well he should because I think he is one of the most able ministers of the government. I do not very often say things like that.

Mr. MacInnis: You do not have much chance.

Mr. Otto: I am particularly pleased that the minister is going to take a hard and careful look at changes in the immigration regulations. I think he should. The hon. member for Villeneuve has referred to the hesitancy that is prevalent to some extent in this country with regard to allowing immigrants to come to Canada when jobs are being sought by Canadians. However, those of us who have taken part in committees on this matter and who have studied some of the evidence given there, especially in connection with the population explosion in the world, realize the situation that is facing the world.

We should bear in mind that the Malthusian theory of population growth is almost correct for the last 7,000 years and that by 1980 we can expect the population of the United States and Canada to double. As Professor M. Bates has pointed out, every time one's pulse beats the population of the world is increased by one. We have to face the fact that there are a great number of people in the world and that we cannot remain an island unto ourselves. If we do not open the door it will be battered down. What we can do is to make sure that the people who do enter our country are the type we want or are people who can fit into our general scheme of things. No one is going to be able to hold back immigration, because it is just not going to be possible.

I should like to point out that there is some misunderstanding between new Canadians and those who have been here for decades or generations. In many cases I think it is a matter of communication. Communication between citizens is nothing strange to us and we know that if we cannot understand someone there is a feeling of mistrust. I have been in the construction field for several years and I am aware of the fact that the injustices meted out to new Canadians in the period between 1953 and 1956 were in many cases fairly severe. But the immigrant came to Canada without a command of the language and in some cases with very little education. He was a stranger with no money and faced complete insecurity. When he arrived in this country he was told just about everything and, having no sense of security, no knowledge of the language and not being able to communicate, there was a natural tendency for him to settle in an area where his people or his friends lived, such area being more or less of a ghetto.

We say that once such people are here they must study and learn to speak English but the man with a family has nothing to fall back on and when he is working 14, 15 or 16 hours a day for very little pay in order to make a go of things he has neither the time nor the energy to get a command of the language. And so it goes. Thirty years later he still has no command of the language.

I should like to make this suggestion to the minister. From the time the prospective immigrant, in the country in which he is then living, makes his application for entry to Canada, to the time when a visa is granted, a period of a year to two years generally elapses. Surely it would not cost Canada very much to arrange for instruction of such people in either French or English, depending on where the applicant wants to settle. This could be done right at our legation in the country of a prospective immigrant, or by some other method arranged through the legation. These people are at home. They know they are going to come to Canada after their applications have been processed, and this is the time when they would be most receptive to learning either English or French. I suggest that the cost would be very little. When they came here they would be able to read the newspapers. They would be able to read the regulations and learn that they did not have to work for 50 cents an hour. They would know what the rates were. They would know where they could live and how to get where they wanted to go. I suggest this would bring about closer communication with all other Canadians and I think that half of the problem would be solved. With great respect I submit this suggestion to the minister.

Mr. Simpson: Mr. Chairman, I believe that members of the committee have listened with interest to the remarks of the minister in which he outlined the functions and achievements of his department. I should like to take this opportunity to congratulate him on being selected to direct the destinies of this particular department.

My remarks today will relate specifically to the Indian affairs branch and the future of the Indian people of Canada. However, with regard to the citizenship branch I should like to make one brief comment. I am sure we are all extremely gratified to see the ever

increasing number of people who are applying for and receiving Canadian citizenship. In the northern part of our country the situation is no different. Each month we see more and more people from other lands, who have come to our newly developing areas to seek employment, make their homes and bring up their families, applying for Canadian citizenship and being granted this privilege.

The minister dwelt at some length on the achievements of the Indian affairs branch. I am sure that he, along with other members of the committee, would be among the first to admit that many of the achievements of the branch during the last few years have resulted directly from the policies of the former government. A number of firsts came into being in the last five years, not the least of which was the granting of the franchise to the Indian people of Canada. As Canadians generally know, this was done by the former government.

However, I want to bring out this point specifically because the minister, in speaking on citizenship in general in Canada, referred to the relation of citizenship to the Indian people and stated, as we all do from time to time, that he was looking forward to the day when they will become full-fledged citizens of our country. I am sure there is general agreement that the granting of the franchise to the Indians, giving them the right to vote in federal elections, was a big step toward their becoming the equals of everyone else in Canada.

A number of other things were done by the previous government, such as the setting up of the very important joint committee of the Senate and the House of Commons on Indian affairs. The deliberations of this committee took some months and extended over the better part of three years. I am sure the many reports of that committee are going to be of considerable benefit to the officials of the Indian affairs branch and to people in general who are interested in bringing about a better way of life for our Indian people.

I think it will also be agreed that the subject of our Indians is one of the most important, if not the most important, internal matter that we have before us in Canada at the present time. Granted that such things as trade and other subjects are of high priority, the problem of establishing a better way of life for the Indian people is one which we must consider of primary importance. I say this particularly in view of the expanding Indian population. I do not have the figures for the total Indian population of Canada, but I would venture a guess that it must be somewhere in the neighbourhood of 170,000 or 200,000. This is just a figure I have pulled out of the air. I do know that the Indian population in the constituency which I have the honour to represent is increasing very rapidly. Figures were given to me in January, 1962 indicating that the Indian population of Churchill constituency was around 9,383. In October, 1963, the population had increased to 10,621. We have therefore, an increase of 1,238 in a little over 15 months.

There are 17 Indian reservations in the northern part of Manitoba and all 17 are in the Churchill constituency. I can assure you, therefore, that we in northern Manitoba realize the importance of this problem. We realize it is not one which is going to be easily resolved. I must admit that the educational facilities are available. The necessity for more and more educational facilities is also of primary importance. As we have all heard many times education, in itself, is not going to be the solution. However education, coupled with other measures, is a definite requirement. In that respect, it is gratifying to know that today practically all Indian children of school age in Canada have facilities of one kind or another available to them to enable them to receive an education. It is gratifying also to know that practically every Indian student who wishes to continue into the field of higher education also has facilities available to him.

As I say, the giant strides which have been taken to provide these greatly needed educational facilities are not, in themselves, going to be the solution. We hear a great deal of public criticism directed against the Indian people. We hear that they are shiftless, that they are lazy and will not try to help themselves. We hear that, when given an opportunity to work, they have a record of poor attendance on the job. This is one of the prime topics of conversation amongst white people when they get together in groups to try to see what can be done to better the situation of the Indian people. I am sure anyone who has had the opportunity of visiting these people, particularly the ones living on reservations in more isolated areas, will find all kinds of people there, just as you will find all kinds of people when you visit a white community. The vast majority of the Indian people, with whom I have come in contact in northern Manitoba, have every desire to better themselves. The main request which the chiefs and the councils make every time you meet with them is the need for employment.

As I said, we hear many people in Canada say that the Indian people are not interested in working. I can assure you that in the main, this is far from the truth. If it were possible, all we need to do is put ourselves in the

position in which we have put the Indians, and then see just what sort of a transformation the white people would make if they were obliged to live under the same conditions as some of these Indian people live on these reservations. I am sure the people in the Indian affairs branch realize that many of these Indians have to go anywhere from a quarter of a mile to a greater distance than that to get water. It is true that many of the reservations, particularly in the north, are located on the shores of lakes and that most of the dwellings are close to those lakes. However, in many cases there are no dock facilities and the banks of the lakes are steep and rocky. When a woman or a small child is obliged to go for water, it is found that the most convenient place to get that water is sometimes more than a quarter of a mile away.

As I have said, I should like to see a test made to ascertain how some of the white people would fare if they lived under the same conditions as the Indians. I often wonder what their health situation would be, what the standard of cleanliness in a house would be, and other things. These are not the only things that confront people living on reservations. Many people say, why don't they raise a good deal of their own produce? I will admit that many projects have been carried out by the officials of the Indian affairs branch to try to get some of these people to have their own gardens and harvest the produce at the end of the season.

If you were to travel through northern Manitoba, and I imagine it is the same in most of the other areas, you would find a great many of these reserves are in areas where the land is far from arable. It is almost impossible, even with a tremendous amount of work, for more than one or two people to have small gardens. We hear this criticism of the Indian people from a lot of people who have not had the opportunity, or who have not taken the time to visit them. These white people take many things for granted and more or less write off the Indians because they say if the Indians will not help themselves there is no obligation on the rest of the people in Canada to do very much about them. Some people say that the Indians use some very queer methods in their attempts to live on the land.

For instance, we often hear it said by white people that the Indian will never cut enough wood to last for more than one day. This is quite true in a good many cases. However, there is a free trader on one reserve I visit who has adopted a plan to solve this problem. When I explain it to some of the people they say, well this is the most foolish thing I ever heard so far as the Indians are concerned. I should like to give you an example of how this plan works, and to say that the Indians have their own reasons for doing these things.

This man has adopted the idea of letting these fellows go out in July and August to cut 10 or 15 cords of wood, which they haul in and pile beside his store. He then pays them $6 a cord for it and they go away quite happy. When the trapping season comes around the Indians get a little more money and they save it until January or February, when they go back to the storekeeper and buy the wood from him at $9 a cord.

Most people ask why they do not cut the wood and haul it to their own cabins and so save $3 a cord. The reason is that in summer time these people need the $6 that they get, and during the trapping season they can afford to buy the wood back at a little more than they were paid for it. This is the kind of thing which makes white people say the Indian is a foolish person; but if we were to tell the Indian people about some of the tragedies white people get themselves into by taking too much advantage of credit systems, I wonder what the Indians would think of white people.

Generally speaking the Indian affairs branch has a large number of very capable personnel, including field men, agents, assistant agents and so on. But when a visitor goes to an Indian reservation he generally hears complaints against the agent. In the main these complaints are not justified. In many cases the agent just does not have the knack of gaining the confidence of the Indian people. When this happens, and when a series of complaints come in, the department should take a good look at the official in charge, and instead of moving him to some other area should call him in for a good talk, possibly provide him with some kind of refresher course, and impress upon him the necessity of gaining the confidence of these people and co-operating with them.

In northern Manitoba the personnel of the Indian affairs branch are dedicated people doing a very good job, but we do have complaints. Some people feel the agents need more instruction and a little more experience before they are put into these positions. Many of the areas need more field men. Usually an agent has a large territory to cover, and on top of that he has numerous reports to write. Therefore he does not have the time to cover the area properly and keep in constant touch with the Indian reservations which he administers.

This year at Thompson, Manitoba, a work project was undertaken in the Nelson House area in conjunction with the community development work of the province. The Indian

affairs branch put a dedicated man in there to try and re-arrange the trap lines and assist the Indians to achieve a better way of fishing. Certain lakes were selected. Ice houses were built, and an overseer was installed to see that the fishing was done in a better manner for the benefit of the Indians. Several trap lines were re-arranged, and where capable trappers were not manning them, other Indians were put in charge, and things were improving greatly.

However, the main trouble was that the money allocated for the work was insufficient. The man in charge found he had to spend most of his time at Thompson because there was not enough money to enable him to travel to the lakes where he had these projects set up; and if he travelled to the lakes, the reports he was expected to send periodically to the branch were not going in, and complaints were coming from the head office. It was a case of one man, who was supposed to be in three different places at one time, trying to carry out a very worthwhile project; and if some changes are not made this project will go overboard. Having inspected it myself I can assure the committee it could do a great deal of good for that particular community.

One of the biggest problems is the lack of employment for Indians. This is understandable because mainly they are in isolated places where the only employment is self-employment, trapping and fishing during the respective seasons. Unless there is a little bit of brush clearing for a winter road constructed by a province, or some small work arranged by the branch on a reserve, there is no employment whatsoever for the balance of the year.

In the case of many reserves there are small lumber mills, possibly several hundred miles away, and work projects such as northern roads being built under contract. Generally, however, the people in charge of a contract or operating small saw mills are very reluctant to hire Indians. Now, the government is claiming a great deal of credit for its new program which provides financial assistance to employers who employ older workers. Possibly the same project could be undertaken by the Indian affairs branch in co-operation with the Department of Labour, to give some encouragement to these contractors and saw mill operators to hire Indian labour.

I realize my time is running out but, Mr. Chairman, I would like to see particular attention given to the formation of a separate department of Indian affairs. This is one of the most important problems we have, and it is becoming rapidly greater as the population increases. If we do not tackle it much more quickly than we are doing, then in 20 or 25 years it will be that much harder to deal with. Therefore consideration should be given to the formation of a separate department and, if not a separate department at least a special deputy minister who would do nothing but look after the Indian affairs branch.

As I said before, I would also like to see consideration given towards providing more field personnel in the outlying areas. There is a lot of work that can be done on reservations in the field of local improvements. Many suggestions along this line have been made to the Indian affairs branch, and it has been suggested that in lieu of paying out welfare, these men should be given some remuneration for doing drainage work, fencing, and other jobs on the reservations, such as a general clean up each year. In that way they could be paid instead of being handed welfare.

There may be immediate criticism of this. Some may say it would be setting a precedent. I do not think it would be setting a precedent at all, because I understand that in many of our cities where the city is handling relief measures, if they get a heavy snowfall or something like that, the able-bodied men who are on relief—they have a list of such people—are immediately put to work on snow removal. If they will not do this work of snow removal, they are taken off the relief roll. I think this could be adopted very easily by the Indian affairs branch in regard to improvement work being done on the Indian reservations. The Indians themselves could do the work and be paid for it, in lieu of welfare payments.

Some hon. Members: Carried.

Mr. Simpson: I have a few more things to say, Mr. Chairman. I think some consideration should also be given to small financial assistance being provided to the chiefs and councillors of various bands. I do not think they should be given any great remuneration, and I realize they have band funds out of which the bands themselves can appropriate money. Chiefs and councillors attend a number of meetings each year, and many of these bands do not have a great deal of funds to their credit. Some of these chiefs and councillors have to do a considerable amount of travelling. For instance, in the Island Lake reserve in Manitoba there is one chief and his councillors, but the band is split into two separate communities which are approximately seven or eight miles apart; they have nothing but seven or eight miles of water between them. This means there is a considerable amount of going back and forth between the two different communities by the chief and councillors. Under present conditions the remuneration they receive does

not cover the cost of this travelling, which is necessary to look after the needs of their people.

There is one final thing I should like to mention. With regard to a long term look at this picture and what can be done for these people, I would like the government to consider sponsoring a course of some kind in some of our universities, or at least in one of our universities. This should be a course for students to specialize in renewable resources, particularly the betterment of the quality of our fur-bearing animals, improvement in the methods of fishing, improvement in the methods of not only the harvesting of wild rice but in encouraging the growing of wild rice in larger areas. If some such course were available in the universities, graduates of that course could be hired by the Indian affairs branch and sent into the Indian communities. These people could give considerable assistance to the Indian people, not only in the trapping of animals but in the handling of the pelts and, of course, in better methods of fishing. I can envision, for instance, one good graduate taking eight or ten Indian families and making them self-sufficient all the year round, if they were put into good trapping and fishing areas. These people could also instruct the Indian people in the art of being capable and competent tourist guides during the fishing and hunting seasons. In that respect—

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

Mr. Rheaume: Mr. Chairman, I should like to address a few remarks to the Minister of Citizenship and Immigration, particularly related to the management of Indian affairs in this country. The announcement that there will be a further slight delay in the setting up of the Indian claims commission I greet with some regret, even though I know it will certainly be done very soon. I am thinking of the convention of the national Indian council in Winnipeg, Manitoba, which the minister and myself attended, at which he assured the Indian people who were at the meeting from all across this country that this commission would be active before Christmas. I know the minister meant this. I also know that the Indian people who were at that meeting believed him. I merely want to say that in my country the person who says something and does not do it, regardless of the reason, is labelled as one who "speaks with a crooked tongue". I would like to suggest to the minister—in fact, I am going to insist that the minister and his officials notify those Indian people who came from all parts of Canada that there will be this further delay. If he does that, he will have the reputation of a man who speaks with a straight tongue.

I believe that most Canadian citizens have a vague feeling of smugness in believing our treatment of the Canadian Indian has on the whole been quite humane. In fact, however, there have been some examples in our development which, although they are not generally known—

Mr. Favreau: Mr. Chairman, I rise on a question of privilege. I do not want to interrupt the hon. gentleman, but I do not wish to have it on record that any Indian in this country may even have occasion to say that their superintendent general has spoken with a crooked tongue. I have never said—and hon. members in this house can confirm this, those who have read the reports of my speech in Winnipeg will confirm it, and my speech will confirm it—that the Indian claims commission would be put to work before the end of 1963. What I said, and what I promised, after consultation with the Prime Minister, was that legislation would be introduced before the end of this year, with the intention of providing for the establishment of an Indian claims commission. I hope my hon. friend who has just made the statement will try to recall what he heard in Winnipeg and will correct the record in consequence, because the words he has uttered are an accusation which, as far as I am concerned, I am not ready to admit or accept.

Some hon. Members: Hear, hear.

Mr. Rheaume: Mr. Chairman, I merely want to put on the record that the belief of the people, after hearing the minister, whom they believed, and whom I believe, was that in fact some work would be done by the commission before the end of this year. I will certainly state for the record that I withdraw any suggestion the minister may feel I made that he was attempting to deceive these people. I believe quite to the contrary. My suggestion to him was that if there was to be a further delay—and there will be—let those Indian people know of the further delay, not just the members of this house; and let them know the new date on which in fact the commission will be at work. If the minister does that he will retain the trust the Indian people have in him right now, and I can assure him from my meetings with the delegates at the convention that they do trust him. My suggestion was made in a spirit of friendliness and co-operation, and I certainly did not want to suggest that I was accusing the minister of anything.

I was stating that Canadians generally tend to feel pretty smug about how humane we

have been, but there have been some unfortunate examples of treatment toward Indians. You have only to think of the Beothuk Indians who lived in Newfoundland, true at a time when that part of the country was not in Canada, who were over a period of some 200 years purposely exterminated by the white settlers in that part of the country. Furthermore, there are many ways in which to destroy a race of people. Hunger, cold, tuberculosis and syphilis will destroy a race as surely as bullets.

When the Glassco commission examined management of Indian affairs in the Northwest Territories they recommended that services to the Indians be integrated. They further recommended that the Department of Northern Affairs and National Resources in effect administer the affairs of all Indian people. Personally I disagree with this, and I wish the minister to be aware that I think there is no point in turning over the administration of the affairs of a group of people from one federal agency to another. Furthermore, with the extensive workload that the officials of northern affairs already have cut out for them in the Northwest Territories, I do not think they can handle it as well as does the Indian Affairs branch now. If the suggestion is at any time made that Indian affairs work in the Northwest Territories be handled by the territorial government of the Northwest Territories, and if within a year or two the government of the Northwest Territories is in fact elected by the people, I would be the first to support the idea that Indian affairs be handled by that agency.

In the meantime I think it is most important that the Indian affairs branch in the Northwest Territories revise their programs of assistance so as to bring them up to the level of assistance received by the Eskimo, the white and the Metis people who are in identical circumstances. At the present time we have several communities in which these three "administrative" groups live side by side. An Indian widow on relief with, let us say, four children, receives in welfare assistance substantially less than a widow with four children who is not an Indian. This creates friction and misunderstanding and confounds the officials of the department who are trying to do a good job. So that even though the day when we can integrate services to Indians in the Northwest Territories may be several years off, I beg the minister in the meantime at least to see to it that the scales of assistance and programs provided Indian people are as generous and as good as those offered to non-Indians.

I also want to bring to the minister's attention treaties Nos. 8 and 11. It is not generally known in Canada that the Canadian government has never lived up to the two major terms in those treaties. Under the two major provisions in these treaties we obtained from the Indian people of the day almost one million square miles of land. These two major terms have never been lived up to. It is well known among the Indian people that the Canadian government has defaulted in its responsibilities. The first treaty, No. 8, with the Indians of northern Alberta and the bands living just inside what is now the Northwest Territories, was made on June 21, 1899, and treaty No. 11 relating to the rest of the Indian peoples in the Canadian north was made on July 17, 1922. It is little wonder that the Indian people in the north do not trust the white man. In the Northwest Territories at the present time there are no Indian reservations as is the case in the south. While the bulk of the Indian people are quite happy not to be put on reserves or to have their homes built on reserves, they are unhappy because the reason for this is that the Canadian government has never lived up to its treaty commitments.

The original treaty signed by these people said that we shall provide for every five Indians one square mile of land. This has never been done. In 1957 the Indian chiefs met. They know that this land has never been given to them. They met in Fort Smith and discussed this matter, and the Indian affairs branch officials assured them that something would be done. In 1959 a royal commission was set up to examine the unfulfilled provisions of treaties Nos. 8 and 11. This royal commission made an extensive study, interviewed Indian people, and made recommendations. These recommendations were referred to the Indian affairs branch for action. In two and a half years nothing has been done with the recommendations.

The other major benefit which we promised the Indian people in these two treaties has also not been lived up to, and it is a source of concern all over Canada. When these treaties were signed the Indian people of the day expressed doubt that they would be allowed to continue to hunt and trap at will. I want to quote to the committee the words of the commissioner, Mr. Conroy, in 1922. This is what he said in the preamble to treaty No. 11:

> They—

—meaning the Indians—

> —were very apt in asking questions, and here, as in all the other posts where the treaty was signed, the questions asked and the difficulties encountered were much the same. The Indians seemed afraid, for one thing, that their liberty to hunt, trap and fish would be taken away or curtailed, but were assured by me that this would not be the case—

If you go back, Mr. Chairman, to 1899, the commissioner of that day—there were three commissioners at that time—also referred to this point in these words:

> Our chief difficulty was the apprehension that the hunting and fishing privileges were to be curtailed.

Prosecutions are still commenced by the crown every time Indian people hunt or trap out of season, Mr. Chairman. Yet here in the treaty it states that the Indians were afraid when they were asked to sign these treaties, and they turned over almost one million square miles of land, that they would not be allowed to hunt and trap at will. But they were assured by the commissioner that such would not be the case.

What has been the history of this matter? In a recent judgment of a court in the Northwest Territories it was ruled that the understanding of the Indians should take precedence over an earlier conviction. I believe Chief Justice McRuer of Ontario rendered a similar decision about the beginning of June. I remember that at the time this was brought to the attention of the Prime Minister. He was asked whether government officials would be instructed in future as to the findings of Chief Justice McRuer, and we were assured that they would. But, as I say, prosecutions are still being brought.

I know the Migratory Birds Convention Act, for example, is an international treaty. It was signed by the United States, Canada and Mexico, and under its terms it is an offence for an Indian to shoot a duck in the springtime or at other times of the year. However, I can also tell you something else about the Indian people, and that is when it comes to conservation they are more concerned about conserving Indians than they are about conserving little ducks. We can never expect them not to take game when it is available, when it is a matter of whether they take it, or a sport hunter in the United States or Mexico gets his bag limit a month later. That is the problem.

I am also going to suggest to the minister a solution to both these problems, the problem of land and the problem of hunting, trapping and fishing rights. It is this: Renegotiate the treaties. Go back to the Indian bands and renegotiate these treaties. They are not sacred. They cannot be sacred, because the Canadian government has never lived up to the provisions of them, anyway. Go back to the Indians and point out to them the conservation needs of the country. Indian people can understand these things, if they can trust those who are going to sign the treaty. Renegotiate the treaties on land. The royal commission made some excellent recommendations. I say to the minister that he should make up his mind about policy, then give these recommendations to the branch for them to implement. Hunting and trapping rights have been curtailed in spite of assurances given to the Indian people. I would renegotiate these. They will be quite prepared to do so. I can guarantee that if any of the officials of the government of Canada who enjoys the trust of the Indian people sits down with them and says, "All right, we signed some treaties in 1899 and 1922, we never lived up to them and we are ashamed of ourselves for not doing so but, let us sign a new one which takes into consideration the understandable need for the conservation of game and wildlife in this country",—things which the Indians understand—he will be able to reach agreement. I guarantee the Indians will sit down in good faith, bargain with him and renegotiate the whole position, because this is a matter as it now stands that only leads to a feeling on the part of the Indian people that they cannot trust any white man or government official.

I suggest that in many instances we are asking the Indian people to carry on as though we were in the middle of the 18th century. Everything we have done to develop the country has militated against the ability of the Indian people to live on the land. We have put in schools and impressed on the Indian people the importance of sending children to school every day. We cannot then turn around and say to them: Take your wife and the pre-school children and leave the settlement. Our missionaries have introduced a new religion. They have said: Go to church regularly; get married in church before you start raising your children. This militates against a life on the land because the churches are located in settlements. We have gone to the people and said: At the first sign of a cold, bring your children into the nursing station; don't get your feet wet; avoid extremes of weather. On the other hand we say: Why aren't you out trapping in the bush, miles away from all these services which we have told you are good.

We have to start giving the Indians more than advice. There is a saying in my country which goes like this: You cannot make soup out of caribou tracks. The Indian people need more than words; they need our technology. When I think of the kind of thing that is being done in other countries to help local people harvest their resources—and the hon. member for Churchill referred to this point—I am reminded of some of the things the Russians have done, if you will pardon the expression, in the harvesting of fish. They pump fish. They have ships with pumps that work like a vacuum cleaner. They use radar to locate the fish, and then they suck

them in. When I hear that, and when I hear of an Indian agent along the Mackenzie river giving a man a three and a half inch net and telling him to go out and make a good living for himself and his family, I say it is time we got some new ideas in dealing with the Indian people and made available, not just our school facilities and health services but our 20th century technology.

Words are not enough. There are suggestions made regularly, not overtly, but none the less they are made, that the Indian people of Canada are second class citizens. Let me say this: They are second class citizens, but not because they are Indians. They are second class because anyone who is cold, hungry, unemployed and uneducated, any group of people who are weakened and despised and dispersed are second class. If you want to do something about this we shall give them an opportunity to take advantage of the technology we now have, to give them a little opportunity to be first class citizens.

In conclusion, let me say this: I should like to see the minister set for himself a plan which would exterminate this whole branch within a set time. The period I would like to suggest is a 20 year period—the great leap into oblivion—during which he should devote all the efforts of his department to making sure that the branch does not exist 20 years from now. I say 20 years, because this would give time for all the people who have careers in the branch to be retired. They would not be threatened. And all the new ones who come in could be told that there was a limited period in which they would be required to work. I am afraid, when I learn there are more Indians being born each year than either die or become enfranchised; because I see in this situation only the possibility of the Indian affairs branch continuing to grow and the Indian people always being controlled by a special department set up for them.

I know many of the minister's officials are working with the province now to see that health, education and welfare services are taken over by provincial authorities. I urge the minister to give his officials who are doing these things every encouragement, so that when he presents his estimates again—and I trust it is the same minister who is presenting them at this time, because I have confidence in him and his ideas—he may be able to include in them some kind of plan which will in the long run eliminate the need for his department altogether.

[*Translation*]

Mr. Choquette: Mr. Chairman, after listening—

[*Text*]

Mr. Fisher: A grand speaker, fighting for the Queen.

Mr. Choquette: You may be a future king of Canada. You never know.

[*Translation*]

Mr. Chairman, after listening to the very sensible and objective arguments in favour of Indians, one would be much more inclined to believe that the minister heads a department of Indian affairs instead of the Department of Citizenship and Immigration.

However, I wish to start by commending the minister for the great competence he has shown in the performance of his duties, and I must say that members from Quebec are well justified in expecting great things for the minister.

There is a fundamental principle I should like to stress in the course of my brief remarks. If I failed to do so, I would feel that I have not done one of my most important duties as a member of parliament. On the whole, there will be nothing new in my remarks, but I take advantage of the new climate to make those remarks.

Mr. Chairman, it is obvious that immigration has always been detrimental to the French speaking group in Canada.

Mr. Caouette: Quite true.

Mr. Choquette: Statistics are there to prove it. A moment ago I said that I would take advantage of the new climate to say what I have to say. I am glad it is so. It is the present government which has set up the royal commission of inquiry on bilingualism and biculturalism. The statements of principle on bilingualism, biculturalism and "biethnism" which come from every corner are most interesting.

However, I am not satisfied with statements of principle. I should like to see the principles of biethnism, biculturalism and bilingualism translated into concrete steps. In my opinion, no department is in a better position than the Department of Citizenship and Immigration to do that, by promoting the principles of biethnism and biculturalism in the field of immigration.

Mr. Chairman, I said I would be brief and I will, but I should like to quote some figures—

Mr. Fisher: Why?

Mr. Choquette: Because we are in power. I would like to quote some figures based upon the 1961 census, which will illustrate my point.

From 1951 to 1961 the total population of Canada increased by some 4,230,000 persons. The French speaking population increased

by 1,220,000; the English speaking population, by 1,290,000; and other ethnical groups by 2,720,000.

It is well known, Mr. Chairman, that minority ethnical groups tend to assimilate with the majority group, with the result that the French speaking element is left far behind.

That is the reason why I insist that this government—

Mr. Fisher: Why?

Mr. Choquette: —in view of the new climate which they have themselves created and of that policy which they have outlined on many occasions through their leader: "Let us be biethnical and bicultural in the field of immigration", become the promoter of a more intensive immigration of French speaking people in order to allow the two great races of our country to be truly recognized as such, not only in principle—but also numerically.

Mr. Chairman, other figures support the point I am making. Here are the immigration figures for the years 1951 to 1961: for the whole of Canada, 1,542,853; for the province of Ontario, 817,292; for the province of Quebec, only 325,329 new immigrants. So, the province of Ontario outbalances the province of Quebec by 500,000, that is half a million more citizens.

Mr. Chairman, there is some talk of redistribution. It is obvious, in the province of Quebec, that the French speaking element is definitely falling back. We have the right, a justifiable right, to ask that a new policy of immigration favourable to the French speaking element be applied.

I know that the minister can reply that the province of Quebec has a certain jurisdiction in the matter of immigration, under section 95 of the constitution.

However, it is unfortunate that the Quebec provincial government has been guilty for too long of inertia in the matter of immigration. I do not think that the federal government is justified in taking advantage of such a policy of inertia to pull back the French speaking element.

As I said a while ago, 817,000 immigrants settled in Ontario from 1951 to 1961. Besides, statistics indicate that out of 1,542,853 immigrants who settled in our country, 1,217,524 settled in the other provinces, but only 325,329 in Quebec.

Before concluding my remarks, I should like to quote an article by Mr. Jean Marc Leger, published in *Le Devoir* of November 21, 1963. Here is what it said:

> Demographers who have studied the question anticipate that unless there is an unexpected reverse in the trend of the birth rate and the break down of immigration, the French speaking element in Canada will represent less than 25 per cent of the population by 1970 and might go down to less than 20 per cent between 1980 and 1990.

Mr. Chairman, if we really want to practice bilingualism and biculturalism, we must stop making high-sounding statements of principle and get to work. In my opinion, there is no department better suited than the Department of Citizenship and Immigration to promote actively bilingualism, biculturalism and "biethnism" in Canada.

[*Text*]

Mr. Howard: Mr. Chairman, it has been very interesting to listen to the hon. member for Lotbiniere, who has just taken his seat. It seems to me it is very appropriate that we are discussing today immigration and Indian affairs, because if the Indian people of this nation could have had the sort of immigration policy when Jacques Cartier came here that we have now, the hon. member for Lotbiniere would not be here to complain about this situation and our native Indian people would be a lot better off than they are at the present time.

An hon. Member: Not because of Jacques Cartier.

Mr. Howard: Not because of Jacques Cartier. It is a well known fact that while my colleague, the hon. member for Vancouver East, was a member of the British Columbia provincial legislature and since he has been a federal member of parliament he has had a very intense interest in the activities and affairs of this department. He would have liked to be here today to participate in the debate and listen to what the minister and others had to say. Unfortunately he is a member of the defence committee steering committee, and the steering committee is spending many long hours today attempting to prepare a draft report for presentation to the full committee. He asked me to express his regrets to the minister and others at not being able to listen to the debate as it proceeds.

I want to confine my remarks entirely to the subject of Indian affairs, because it has long been one of my own interests and, because the rights of people are involved, was long one of the prime interests of the C.C.F. Now those of us in the New Democratic party are maintaining that traditional interest. It should be remembered that when the C.C.F. party was in existence it introduced into the House of Commons the very first bill to give our native Indian people the right to vote in federal elections without any strings attached to that right. This was done in 1957, and I had the privilege of introducing that bill on behalf of the C.C.F. at that time. We were

happy that finally steps were taken in 1960, I believe, to extend to our native Indian people the right to vote in federal elections.

As I said last night, it is interesting to note that, following upon the Indian people gaining the right to vote, we have had a much more active interest on the part of members of parliament in Indian affairs. I believe this is a welcome situation, because parliament will then become more enlightened and we are likely to have more advanced and progressive attitudes towards Indian affairs than have been evident heretofore. I hope, certainly, that the minister does not have any knowledge of a situation in British Columbia. I certainly do not believe he is a party to it. It is unfortunate, but there is an element within the Liberal party in British Columbia that is seeking, and has attained a bit of success in this regard, to infiltrate at least one of the Indian organizations that exists in that province. They are seeking to infiltrate it, not for the purpose of promoting a solution of the problems of the Indians, but in an attempt to use the organization for partisan political purposes. I think this is regrettable. I think it is unfortunate, and I believe the Indian people will suffer if they permit this condition to continue.

I was interested in the minister's statement, not only on immigration and citizenship but on Indian affairs as well. I should like to make some brief comments on some of the things he mentioned. He said that the Indian Act is under review and when the amendments are ready it is his intention to consult with the Indian people before those amendments are passed. This is a commendable course, and one which we have advocated for many years. We say that inasmuch as the freedom and rights of the Indian people are involved, the proper course to follow is to consult with those people who are being affected before any legislation which deals with their various problems is passed.

I should like to note here that I was told on rather good authority that the minister intended to introduce a resolution preceding the establishment of the Indian claims commission on December 14. I think the precision of that prediction is remarkable because that seems to be precisely what is happening. We have a resolution on the order paper now. I would have liked to have the substance of the bill before parliament at this time. When I saw the resolution today I was hoping the Secretary of State was going to ask, as he does so often, for unanimous consent to the passage of the resolution so that the bill could be introduced today. It is unfortunate that has not taken place. In so far as I am concerned, I am quite prepared, at any time the Secretary of State asks for that unanimous consent to the passage of the resolution, to grant it so that the bill can be introduced. I think every member in this party is of the same opinion. We would do so because we know that the bill is to be introduced but will not be proceeded with this session. We understand the government intends to bring the bill to the attention of the public so that the Indian people can study it, and at the next session we will have a better understanding of the reaction to the proposals contained in that legislation.

The minister made reference to a variety of activities of the department in the field of welfare, sewerage, water systems, education and the like. I do not believe it is necessary to comment specifically on them, except to say that I know of particular bands who have been somewhat miffed in years past by the activities of the Indian affairs branch in connection with water and sewerage systems. I certainly would not want to see repeated the experience which some bands have had. I know of one band in particular, right offhand I could not tell you the name, which has spent hundreds of dollars on a water system over a period of years in an attempt to make it efficient and effective. The reason for spending the additional amount of money is that when the water system was constructed in the first instance, the engineers or whoever was responsible for the installation, put the pipes in backwards. They put the small pipes at the source of the water supply and down near the houses they put the larger pipes, which is the reverse of what should have been done.

There is another Indian village on the coast, I do not want to mention the name of it, in which over a period of years some $30,000 has been spent in an attempt to instal a water supply system for the people. They have a beautiful looking water tank sitting up on top of a hill some distance behind the village and close to a creek upon which a dam was constructed. Perhaps more than $30,000 has been spent on this water system over a period of years, but not a single drop of water has come through the system. We do not want to see these things repeated, and I am sure the Indian people do not either. I do not want to go into specific cases, but I am sure that if the minister just asks for a review by his officers he will find that the two incidents to which I have referred were not isolated incidents. These conditions have existed for a long time in the operations of the Indian affairs branch.

The minister phrased his introductory remarks in fine language. I have read a number of press releases of speeches the minister made outside the house, and on every occasion these statements were phrased in fine words.

I do not wish to be unkind to him, but words are cheap, statements are easy to prepare, especially if one is learned in the language or learned in the law. Especially in view of the experience the native people have had in trying to solve their problems over the years, speeches, phrases and words must be backed up by action before the people will believe the minister. This is what we are waiting for, this is what we are looking forward to seeing.

At different times, I have had occasion to read the speeches made in this house by the minister's various predecessors. The Hon. Walter Harris, when he was minister, used to make some fine speeches. The present Secretary of State, when he held the post of minister of citizenship and immigration, spoke highly and emotionally about Indian affairs and the things that should be done for the Indian people. Incidentally, he spoke even more emotionally about those things when he sat in opposition. Nevertheless, his speeches make fine reading. Even the minister's predecessor, the Hon. Mrs. Fairclough, spoke nicely about Indian affairs. However, over the years, the actions that have emanated from the government have not met the expectations which the Indian people had as a result of these statements and speeches.

The native Indian people want to see some action. They are trusting people. They are fine, upstanding citizens of this nation and they should be recognized. I hope that action will be forthcoming, and when it does that it will meet the expectations of the people of this nation, especially in view of the great amount of the milk of human kindness that is contained in the speeches of the various ministers, including the present one. Unfortunately, I believe the fathers of confederation made a mistake in the British North America Act in confining the jurisdiction over Indians and lands reserved for Indians to the parliament of Canada. In one sense, this casts some doubt upon the legality of the various dominion-provincial programs that are in existence, especially those co-operative programs on education that have been increasing over the years. There is some doubt expressed as to whether the parliament of Canada is able to delegate its authority in this field because of the provisions of the British North America Act, but I do not want to cast doubt upon that because I think this is the course of action we should be following—that is, getting out of the business of Indian affairs and getting it into the hands of the provincial governments where the civil and other rights of our other citizens rest, and where the civil and other rights of the Indian people should rest.

So long as we have an Indian affairs branch, and that provision in the British North America Act, we are going to have two classes of people, one the native Indians who come under the jurisdiction of this parliament, and the other encompassing everybody else, whose jurisdiction is within the hands of the provinces. So long as we have a separate law on the statute books of Canada revolving around a group of people because of their racial background, it is going to beget discrimination in one form or another.

The mere fact that there is a separate law governing Indians makes people ask themselves whether the people covered by that law are different? If we had a separate act on the statute books covering the French people, and called the French act, people would say there must be something queer about the French. If we had a separate law relating to Scotch people, called the Scotch act, other people would say there must be something rather weird about the Scotch. I know many people have these opinions anyway, but if we had laws to such effect they would promote discrimination, in the same way as the very fact that we have an Indian Act does.

Unfortunately, no matter how much one may hope that the Indian affairs branch will have the initiative and momentum within it to be able to solve these problems, I do not think it can. To me the Indian affairs branch is an administrative organization. It is concerned with the keeping of files and records, the writing of letters and the preparation of documents. It does not concern itself with, and in fact it is impossible for it to be concerned with anything other than administration. It does not get into the field of developing policy, although there are some people who say it does; and it cannot get into the field of sociological research, and the like.

Accordingly, because it is bound by its own red tape and its own pyramidal structure, it is unable to do anything other than administer. It is a sort of conglomeration of office managers, and this does not help the problem of Indian affairs.

At one time the law used to refer to the individual in the field as the Indian agent, the implication being he was an agent of the Indian people. This was the concept of his original appointment, that he would be an agent to act on behalf of the Indian people in dealing with governments and other elements of society. Now the law has been changed. He is an Indian superintendent, and the very word superintendent carries with it the connotation of a supervisor, foreman, or boss of some sort. The minister himself has got an even higher faluting title: He is the superintendent general, a sort of super foreman over everybody else. This is precisely the attitude many superintendents have that

they are there to supervise the Indian people in their daily life, to represent the administrative machinery, and that they are not there to help the Indian people themselves.

Because of all these factors, and regardless of how much one may admire individuals in the Indian affairs branch, regardless of how much their hearts may be set on accomplishing something worth while, and no matter how fine an understanding individuals may have in the Indian affairs branch, they cannot give full effect to their feelings. The branch, by its very existence and structure, is an incompetent organization to deal fully and completely with the various problems confronting Indian people, problems that have developed over the last 100 years and which started some time before that.

To a great extent the branch is a narrow neck funnel through which ideas eventually filter to the minister. The minister's predecessors were not too interested in trying to break out of these bonds, and in trying to establish something different. I hope the minister is interested in this.

Unfortunately the Indian people look to the Indian affairs branch from the point of view as expressed to them by the political head of that department, whoever the minister may happen to be. To them the minister, being a representative of Her Majesty in the old traditional sense, because their treaties were phrased that way, they look upon him as being the sole guiding light in Indian affairs. But because we have had a succession of changes of ministers we have a confused attitude both in administration and in the approach by native Indian people to the government's tackling of Indian affairs. This is partly because the fine phrases, to which I referred earlier, have not been carried out and formulated into action, and this has largely been due to the succession of changes of ministers.

I would rather that the minister would not accept the contention of the hon. member for Churchill and others to the effect that we need a separate department of Indian affairs, or that the chief director of Indian affairs should be a deputy minister and given more authority and power within the structure of government; and I say this because our goal and objective must be repeal of the Indian Act, must be the transfer of the jurisdiction of various activities of the branch to the provincial governments, and this at a speed to meet the desires of the Indian people, and not to be foisted upon them.

We will not be able to proceed in that direction if we proceed in the direction of building an empire around the minister in the government. If we establish a separate department of Indian affairs we will bring into being a group of empire builders and make it more difficult for the federal government to get out of the field of Indian affairs.

What I would like to see is that the government take steps to establish a board, commission or council—it does not matter what you call it—for the economic advancement of native peoples, a body that will be free from interference in its activities by the Indian affairs branch. It should be a body that will be free from political and ministerial influence in its day to day activities; which will have on it people who are native Indians representing the native points of view; which will have on it people schooled in the fields of sociology and anthropology, people well versed in the field of education—economists, representatives of the professions and the like —and this body should have as its guide posts the promotion of a variety of activities which the Indian affairs branch now conducts, or attempts to conduct, in the field of economic development activity.

Such a body should have a program of job opportunities and job placements within its sphere of activities. It should embrace the field of adult education, and the all important field of band council education, in an attempt to prompt band councils to become masters of their own destinies, rather than what they now are, minions of the Indian agent in whatever the agent can get away with. This body should have as its eventual goal an approach to working with the economic councils that exist in Canada, the various economic boards in the provinces and other agencies, with the hope of transferring as much of this activity as possible to the provincial governments, again at a speed which meets the desires of the Indian people.

We could then confine the activities of the Indian affairs branch to that which it knows best and does the most effectively, namely the dispensing of welfare or assistance of that sort, with the goal being to transfer these jurisdictions to the provincial governments, again at a speed which meets the desires of the native peoples themselves.

When it comes to the question of welfare I would like to make this comment. The amount payable now, in general terms, is $22 per month. This was established in 1957 or 1958, I believe, and replaced the old ration system of welfare assistance. This compares, again in pretty general terms, with welfare assistance payable in the province of British Columbia of $66 a month. So if you are an Indian, you get $22; if you are a non-Indian or an Indian living off the reserve, you are likely to get $66. We would like to see some sort of uniformity in this assistance, because

it costs a native person just as much to eat and fill the bellies of his children as it costs a non-Indian.

While on this particular subject, Mr. Chairman, I should like to make reference to an agreement which was consummated the first part of this year between the federal government and the government of British Columbia. It was implemented on January 1, as a matter of fact. It is covered in what is called a statement of policy on social assistance and health services to Indians in British Columbia. So, even in this enlightened year of 1963 this is what the government of Canada and the government of British Columbia agreed to do with respect to welfare. They agreed to put into writing and permit a continuation of a system of paying welfare based on discrimination, based on racial origin, based on whether a person is an Indian or is not an Indian, and based upon whether a person lives on or off a reserve, which makes it even worse. What happens under that agreement? I do not think it is necessary to read it entirely into the record, but it says that an Indian who has lived continuously without social assistance directly from a municipal, provincial or federal government for one year off the reserve is the responsibility of the local area.

So if an Indian lives off the reserve for one year he is entitled, if he needs welfare, to receive welfare amounts from the provincial government; but if he lives on the reserve, what happens to him—he receives the $22 a month. Surely to heaven in the first part of this year, when we were talking about transfer of jurisdiction and equality, it would have been sensible for the government to have attempted to put into effect a system in the province of British Columbia which would be based upon equality of treatment for native people and do away with the old system of discrimination. As far as I am concerned, this system is also a bloody disgrace, if I can use that word, to this parliament and to the government of British Columbia; and it is a disgrace to all those people in Canada who allowed it to happen. I hope this government will take steps to have it repealed or changed, because after all, what difference is there between one person and another when it comes to his needs and requirements in order to keep body and soul together?

I think the mere word "integration" is a curse to the Indian people. "Integration" carries with it some very bad connotations, because it means and has meant in the past to many officials in government, a one way street. "Integration" means to the Indian people, "You give up your heritage, your culture, your language and your background. You give up what you know about your people's ancestors and how they lived in this nation, and you come into our way of living and accept everything that we have". To me this is not a sensible course to follow. What other word one can find, I do not know, unless it might be acculturation. But the approach in the relationship between Indian people and those of non-Indian origin must in all instances be based on mutual respect, mutual understanding, mutual trust and confidence and upon attempting to promote equality in all fields. It must be based on the desire of the non-Indian people—and this must emanate from government somewhere—to understand and respect the background of the arts that native people have. Incidentally, the only truly North American art form that has ever been developed is that of the totemic carving of the Indians along the west coast.

One must understand and have a desire to appreciate the participation of native people in the field of politics. One has only to read or talk with people who know about the Iroquois nation to appreciate what a remarkably fine political system and structure they have. It is one which would be well for us to copy and put parts of it into effect. We must attempt to understand and appreciate more the intense hereditary feeling of co-operation that exists amongst native people, because they far excel us in the field of co-operating and working together for the mutual benefit of all. In the past our forefathers destroyed the economic base of Indian native people. They did not do a single, solitary thing to replace it with anything else or attempt to train native people to fit into any other type of economy. Unfortunately, many of the missionaries in fact—although they did not realize they were doing this—destroyed to a great extent the religious base of native Indian people and replaced it with something which at that time was alien to them.

For all these reasons, together with a variety of others, the native Indian person has come, as the hon. member from the Northwest Territories said, to distrust practically every single thing that the non-Indian person, especially government and the Indian affairs branch, does. As I said earlier in my opening remarks, it will take more than fine phrases, it will take more than fine words, it will take more than long statements by the minister to counteract this distrust. It will take a long series of actions in a trustworthy way, carried out fully, before the native people will trust us as we should desire to trust and respect them.

I wonder, Mr. Chairman, if I could close by reading the attitude developed by the New Democratic party convention with regard to Indian affairs. Incidentally, ours is the only

political party in existence which in open convention developed a concept about native Indian affairs. We say this:

> The New Democratic party has as a basic philosophy the recognition of the dignity of the human being; a respect for moral and cultural values; a belief in equality without regard to race, creed, colour, or religion; a deep desire to foster mutual trust and respect among all peoples; the will to promote advancements in the spheres of education, peace, security and freedom—

I know that the native Indian of Canada has in the past had his needs and hopes disregarded and sacrificed. Based on those words, we in the New Democratic party fervently hope that this parliament, this government, will find a way to solve the problems confronting our native Indian people and so assist all of us to reach a higher plane of dignity and work in this country.

Mr. Fane: Mr. Chairman, I am very pleased to have an opportunity to discuss matters of citizenship, immigration and Indian affairs. My first remarks must be addressed to the Minister of Citizenship and Immigration, and what follows will be addressed to the superintendent general of Indian affairs. I must say that I am very thankful for the co-operation the minister and his able and co-operative young parliamentary secretary have shown in any of the dealings I have had with them. I do hope the minister realizes this is one of the most important portfolios in the government of Canada, and I hope that a man who has shown the interest he has shown in that department is not removed and somebody else put in his place, as has been mentioned in news items in various newspapers. It would be a travesty of justice, decency, and everything else were he to be removed and the person mentioned put in his place. My interest in citizenship and immigration is very great because I represent the constituency of Vegreville, in Alberta, which is populated by people from perhaps 40 different nations. This getting together of so many people from different nations has resulted in intermarriage; and we now have one culture and we are Canadians there. Yet there are still difficulties with the Department of Citizenship and Immigration.

I should just like to mention three different types of situation, cases which I have picked out from my filing cabinets, concerning communications which have been carried on with the minister. The first one was brought to my attention by a man a little younger than I who was born in the same district as I was. His people came from Poland. By the time the last war had ended he had become fairly well provided with worldly goods, and he had a niece in Poland whom he wanted to bring to Canada. This girl was aged 20 years, although she is probably 22 now because this case commenced two or three years ago. This man has been refused permission to bring his niece to this country because he is not closely enough related. He has guaranteed to see that she never becomes a charge on the state. She is his niece, a daughter of his sister who was killed in the war. In fact her whole family was killed; she is the only one left. Yet this man cannot bring her to this country. These people, who are Canadians, have asked me as well as other members of parliament to help them, but we were not able to do anything for them. I think cases like this should get priority. There is not a chance in the world of this girl's becoming a charge on the state; and the people who want to bring her to the country are some of our best citizens.

I now go to the case of a Ukrainian girl born somewhere in the Ukraine. Both the minister and his parliamentary secretary know this case very well because I have a very thick file on it. This girl came to Canada in 1939 when she was between three and six years of age. In 1955 her mother, her father and her sister as well as she herself applied for Canadian citizenship. The mother got her citizenship but the father and the two daughters were refused. I have been working on this case for only about a year, and during that time I have discussed it with two ministers of citizenship, both of whom have been very interested; but because of certain reports gathered together, I presume by the Royal Canadian Mounted Police, there is very great difficulty in this young lady's getting her Canadian citizenship.

This girl I am talking about is a bachelor of education from the University of Alberta. She has been a high school teacher for the last ten years, and her sister to whom I referred is a registered nurse, but she has now married a member of the Royal Canadian Mounted Police and has received her citizenship. Why in the name of heaven can this girl, who is a couple of years older than her sister, not get her citizenship? I know there is a private file not available to people as far down the ladder as I am, but I think there must have been some error in the reports which were accumulated and gathered by the R.C.M.P. and turned over to the department of citizenship. I may say that the judge in the citizenship court in the city of Edmonton has, I am told, recommended each time that she has applied that this girl be given citizenship. We will have to smarten up and do something about cases like this. I say that we should have a judicial committee appointed which sits all the time to handle appeals from decisions like this; and this

committee should be appointed forthwith. I am sorry I cannot go into these cases in too much detail because I am restricted as to time.

My third case concerns a man who came to this country from England. He did not come here direct; he came to the United States in 1950. He served with the British army, starting out as a private soldier during the last war. He was a commando, became a major and was decorated by the King with the military cross for conspicuous gallantry. This man came to Canada, as I say, through the United States in 1956, I believe it was. When he went to the United States in 1950 he had a British passport. When he came to Canada in 1956 the customs inspector at the point of entry did not stamp his passport. No record was taken of his entry. In 1958 he went back to England, and landed back in Gander, Newfoundland, coming through the Canadian customs at Gander. He was still carrying his British passport and it was marked with a stamp authorizing re-entry into Canada. This man wants his Canadian citizenship. He has been here seven years, so why in the name of heaven are so many difficulties put in his way?

These are only a few of the vast number of cases I have of this sort, and due to shortness of time I do not want to go into any of them too fully. I did remark that I thought there should be a judicial committee authorized to hear complaints against refusals to grant citizenship, and I know the minister and his assistants are doing everything they can. I am not complaining against that. I am complaining about the Canadian Citizenship Act and the fact that the Department of Citizenship and Immigration has to be so darn stuffy about allowing people to become Canadians.

Now I wish to address the next part of my few remarks to the superintendent general of Indian affairs. May I remark first to him that I am very pleased to notice on today's order paper the fact that he has at last got around to providing for the establishment an Indian claims commission, to providing for the duties of the commission, its decision and awards, and to providing for appeals from the decisions of the commission to the Indian claims appeal court, and to enact such financial provisions as may be necessary to accomplish the purposes of the act.

I assure you that that is something I have advocated for a long time. The Conservative party has advocated that, but it was not possible to bring it into being. Had we been returned as the government this would have been brought in; if not earlier than this, it would have been brought in by now, anyway. I must say that when I speak of Indian affairs I am talking from experience, because when I was born out in the place in which I still live, our closest neighbours were Indians. Therefore I speak with experience when I speak of Indian affairs. As I have said so many times already, I regret that my time does not allow me to go into it fully but if the minister and his assistants wish to hear the whole story they can take a week off some time, and I will, too, and I will give them an earful.

The reserve I am most interested in at the moment is the Saddle Lake reserve, which is part of the Saddle Lake agency. This agency comprises some six or seven bands of Indians. The rest of the bands under the control of that agency are in the constituency of the hon. member for Athabasca. The same difficulties beset my Indians as beset his. In this Saddle Lake Indian reserve in my constituency there are between 1,200 and 1,300 Indians. I want to say that they are on the whole a very progressive people. As everybody should know, there is nothing the matter with the Indians for which the white man has not been responsible. There are a few of them of course, as in every race, who are shiftless but on the whole they are very industrious.

I may say that the Liberal opposition candidate in my constituency who ran against me was a treaty Indian on my reserve. He got his first vote, and do you know, we gave it to him, and he ran as a Liberal. We made it possible, and he became a Liberal candidate and he is a very—

An hon. Member: Be careful.

Mr. Fane: He is a very able man. But I am not out campaigning for him now because he is on some royal commission or something, I guess it was the Postmaster General who got his name. I am telling the committee this to show that the Indians can take their place alongside anybody, make no mistake about that. These people were the first Canadians and, really, they are the only Canadians. The rest of us are all immigrants. They have had a thin time since the white man came and took their country away from them. I know that out west the story only goes back as far as 1885 or 1889, some 80 years ago. Anyway, they were herded on to reserves. They did not get very much opportunity to progress. Only now are they beginning to come into their own and they are now, as I do not need to tell anybody here, a very vocal part of the Canadian population. They want to make up for the things they have been denied throughout all these years, and they will certainly be able to speak for themselves when they come before this Indian

claims commission or any other commission to which they may have access.

There are several things I should like to mention and I am very happy that I helped to accomplish some of them. The two things I am going to mention first happened before the present minister took over this portfolio, that is, that the superintendent of the Saddle Lake agency is a fully blooded treaty Indian, which is a step in the right direction. If the Indians can rise to positions like that, they can help look after themselves, because a great many of the agents who have already been appointed in the past were civil servants and did not know much about the Indians. I do not know how some of them got into positions like that. But the agent there is doing an outstanding job. He is, as I said, a treaty Indian himself and he understands the difficulties with which these people are faced. That is one thing that was accomplished before the last election and since the 1962 election. There has also been medical supervision. There is a nurse on duty at all times on this reserve, now. Before she was established there, a nurse would be there for perhaps two hours on two days a week. It was a poor show, believe me, because people cannot organize their sicknesses to take place during the two hours a day on the two days of the week on which the nurse would be available.

One of the big complaints the Indians have is that their treaties have not been properly respected. They were made a long time ago, mostly, and the people who signed them on behalf of the Queen did not realize that western Canada particularly was going to reach the state of population it has now. They made deals about fishing and hunting. As the hon. member from the Northwest Territories remarked, if they shoot a duck out of season the R.C.M.P. are on their tail right away, and they are hauled into court. That is no part of any treaty ever made with them. With regard to fishing the situation is just about the same.

I realize that the federal government has turned over control of hunting and fishing to the provincial governments. This is something that should not have been done but I also appreciate that it perhaps became expedient to do it. In any event, these things worry the Indians a great deal, and it does not seem right that these people should be hauled into court for shooting a duck out of season. If they happen to come across a deer and shoot it a week before the official hunting season opens they are also hauled into court. If they fish in a lake where they are not supposed to fish, that is too bad, too. In any event, I will leave the matter there.

There is another matter that must be attended to, the provision of homes for the aged. I know these people get the old age pension but they have to live on it and cannot provide their own homes out of it. I realize that the minister wrote me a very sympathetic letter in which he said he was looking into the matter, but I want to emphasize that when the older Indians reach the age when they are no longer able to work they certainly need some place to live, and if they do not have a family to look after them they must find some place themselves. On the whole the accommodation provided for these old people on their reserves is no good at all.

The Indians are also not very happy because when the provincial government wants to put a road through their land they jolly well go ahead and do it. In some cases the provincial government has not made it stick, because in the case of the reserve in the constituency of the hon. member for Wetaskiwin I believe the Indians forced the provincial government to go around their reserve with the road.

The Indian Act should be reviewed again. I want to impress on the minister that whenever any changes are made in the Indian Act or in legislation which concerns the Indians these people must be consulted. They are very jealous of their rights and that is one right they should have. They say, and I agree with them, that nothing should be forced on them without their agreement.

The Indians are also troubled about the school situation. So far as the schools are concerned I am troubled about different things from what they are, but I will mention only what is troubling them. They are concerned about the fact that their children have to leave the reserve to go to school. They have to get up early in the morning to catch a bus and travel 25 or 35 miles to school. The bus is assigned to the reserve by the provincial government for this purpose. Some of the Indians think that the children are not ready for this. Some of the children go to a separate school and some go to the provincial Protestant school. Others are taken to schools closer to their homes but farther away from the main one in St. Paul. There are difficulties there, because in two of the towns to which these children are taken by bus there are only Protestant schools.

There is always trouble when the children of Indians who belong to the Catholic faith are forced to go to a Protestant school. They claim their children should not have to do this. There is great trouble with the church over this matter. I will not make any personal remarks about it but will simply say I think it is high time that the government of Canada recognize its responsibility—I know the department is doing a lot—in providing a

proper education for these people. The government should take over the whole management of education for Indian children and not leave it for somebody else.

As there are many more who wish to speak I shall end my remarks by reminding the minister that the Canadian Citizenship Act needs a lot of review and many amendments. People concerned in cases like those I have mentioned have every right to expect a further hard, close look to be taken at their cases. They should receive the benefit of any doubt that may exist in anybody's mind, especially in the minds of the Royal Canadian Mounted Police, for whom I have the greatest regard for very many reasons. Also, when the department reviews the Indian Act or brings in legislation concerning the Indians, please consult the Indians about it.

Mr. Moore: Mr. Chairman, this afternoon I should like to refer also to the original citizens of this country. Although the problems of Indians on reservations are similar throughout the whole of Canada, I should like to deal particularly with those in my area. One reserve, for example, contains some of the best farming land in the world and yet if the government is really looking for a depressed area they need look no farther. In recent years the population has been increasing rapidly. There is not enough farm land to go round and this situation will, of course, get worse.

Like people of any other racial origin, these people are not all interested in farming, nor are they all suited to it. Yet there is no other industry or technical training available. Many of the young men have great mechanical ability. They keep old wrecks of cars running week after week when I doubt that any of us could even start one of them. If training in mechanics was available to them they might make a good living in this or related fields.

Many of these families are attempting to make a living on a quarter section with little or no equipment and little chance of ever obtaining any. Certainly the land is not at fault, because many farmers in the same area have done very well on the same amount of land. I feel that the staff of the agency is very efficient. The farm supervisor is doing a fine job but the paper work alone in his office keeps him busy. It is a full time job. I have always felt that one farm would almost keep a supervisor busy, so how can he possibly give personal attention to so many units? These units need more personal attention than any other farming units.

At present much of the land has been leased to neighbouring farmers with large equipment. The leases are ordinarily for six years. If the land has not been broken, of course, the man who leases it retains the first two crops in the first two years. After that he turns the Indian's share into the band fund, ostensibly so that the Indian may, at the end of this six-year period, draw on this money to buy machinery to farm the land he owns. What he does, of course, in the six years he is waiting is sometimes a mystery to me. There is seasonal work available, naturally, on the surrounding farms, but this is rather on a piecemeal basis.

The new housing project seems to have been quite successful on this particular reserve. I remember that many years ago the housing situation was rather bad. The big problem, of course, is the low income of the people who must pay for these houses. Provisions for education are fairly adequate. However, I should like to point out one thing in this connection. The large Indian school on this reserve, an otherwise modern school with an enrolment of some 630 pupils, has no provision for an auditorium or a gymnasium, playroom or what have you. The weather in central Alberta, as you all know, is quite extreme at times. What do you do with that many pupils at recess or lunch hour when they cannot be turned outside? I might point out that eight miles away, in the city of Wetaskiwin, there are many schools and each one has an auditorium and a gymnasium. However, these Indian children are expected to grow up to be good citizens and to compete in our society.

I should like to mention hospitalization. For many years, the Indians have had their own hospital in the town of Hobbema, which is a village on this reserve. They were very pleased with this set-up. The more serious cases were sent to the city of Wetaskiwin or the city of Edmonton for treatment. When a new hospital was built in Wetaskiwin, it was decided that the third floor would be maintained for the benefit of the Indians, whether they liked it or not and the Hobbema hospital would be closed. I can assure you they did not like it, because they told me so. The opinion of these people had not even been asked. To be fair, of course, I should say the Hobbema hospital is still being held open as a clinic. It took a little persuasion to make this possible.

The chief objection from the standpoint of the Indians in so far as the new scheme is concerned is the additional travelling distance. Do not forget that to these people travel presents a real problem. The Indians also worry about going to a city hospital when they cannot be dressed as well as the other patients. Believe me, this is something about which they are genuinely worried.

May I suggest to the minister that when he visits some of our Indian reserves he cover the entire reserve area rather than

being content to be shown some of the more prosperous areas. He should demand to see the other areas, and perhaps then he will get a better picture of conditions as they really are.

Mr. Herridge: Mr. Chairman, I have read the minister's speeches and I have listened to his speeches in the house. As a result of that, I have informed a good many of my constituents in reply to correspondence relating to citizenship and immigration that the minister is apparently a human being and we can expect some results in the near future. I do hope that my optimism in that respect will be justified.

I want to say a few words in support of the excellent representations made by previous speakers from this group in respect of the need for an overhaul of the Immigration Act. I think that is very necessary if we are going to give justice to the many Canadian citizens who try, throughout the years, to bring relatives to this country. I can think of a good number of cases, and I am going to mention three cases to illustrate the necessity for amending the act, which illustrate the necessity of overcoming some of the rigidity in the act which causes some injustice to Canadian citizens.

There is an old Chinese gentleman who lives in my district who has had a market garden for some 40 years. He is respected by everybody, and he is getting on in years. He wanted to bring his son from Hong Kong to take his place and to do some carpentry work, things of that sort. I know the case is now being reconsidered. He has received a great deal of sympathy from the people in the area, and dozens and dozens of people have signed a petition urging the government to give favourable consideration to this case. They really believe this is a case which justifies favourable consideration.

Then, there is the case of Miss Irene Rebrin, which is still sort of hanging in the air. If I remember correctly the minister made a statement in respect of several cases —and this was one of them—about the middle of December, stating that a decision would soon be made. I hope this young woman will soon be relieved of her fears, and of the uncertainty that she has from day to day by a favourable decision on the part of the department. She is doing excellent work at the University of British Columbia as a lecturer in languages.

There is another case—I am only going to mention these two cases—which indicates the necessity for amending the act in various ways. There is a Miss Sarah Eichorn who came to the Kootenays some three or four years ago from the United States. She was doing excellent work in the Kootenay school of art, a school operated by the Society of Friends. She had had some illness and some difficulties in the United States, but she had overcome these prior to coming to Canada and establishing herself in the Kootenays. Her work was recognized by everybody interested in that type of work. Then, she went back to the United States for a period, and when she wished to return she was told she could not return because she could not qualify under certain sections of the Immigration Act. This caused great concern to the many people who had come to know this woman during her relatively short stay in the Kootenays. I understand she is not allowed to return as a visitor to obtain her personal possessions and that sort of thing. I hope every consideration will be given to a case like this. These are three cases that illustrate the necessity for an overhaul of the act, and a removal of some of these rigidities.

I am rising to speak on one other matter particularly, because during recent years I have had some unfortunate situations brought to my attention in the constituency which I have the honour to represent, largely as a result of the fact that there are two agencies of government trying to place persons in employment. The first is the national employment service, and the second is the immigration branch agency in the district. Now, the national employment service knows the needs of employers in each district. Applications for employees are turned in to the national employment service, and the officers know where different types of men can be placed. However, they are somewhat restricted as to travel.

This is what happens: The immigration officer in the district is notified—this is what has happened in the past in any event—that there will be 30 or 40 immigrants arriving at a certain time. He is asked to find employment for them. He has the right to travel all over his district. He goes to some employers and says, can you take one of these people? Often the employer has already sent in an application to the national employment service for an employee. However, the immigration officer is on his doorstep and says, can you place one of these people? The employer says, all right, send him along. He is just about to send in an application to the national employment service for an employee, and he does not do so because the immigration officer is visiting. I want to give these officers credit. They are pretty active people who know the districts well, and they go all over them.

But this is the result. Because these two agencies seek to fill applications for employment certain difficulties occur. I can give one illustration of something which has occurred

on a number of occasions. In one of the small communities in my constituency a veteran born in the community, married and with four children, had been unemployed for seven or eight months. He was an electrician. He had turned in his application to the national employment service and visited its office nearly every day in an effort to get employment. Then an immigrant came in on the train, and the second day he was there the immigration officer found him employment in an identical position which this man had been seeking. He just happened to go to an employer who was short of a man that day.

One cannot blame the immigrant, but circumstances such as this can create a lot of unnecessary ill will and conditions that are most unfair to Canadian citizens, and to the immigrants directly concerned. In my opinion placement for employment should be undertaken by one government agency only, and that is the national employment service. Their officers know each district, the needs of employers, and where there is an opportunity to place a person. Incidents like the one I have mentioned have caused quite serious embarrassment to the officers in the service, and a lot of irritation at times.

What we require first of all is planned immigration. We should bring immigrants to this country only as they can be absorbed into employment, except in those relatively few cases where relatives undertake to be responsible for their maintenance for a period of time. We need a planned immigration policy, but we cannot have a planned immigration policy unless it is based on a planned economy, where we know the needs for employees, the needs of certain industries, so that we can bring the immigrants into Canada as they are required.

I mention this because it has occurred a number of times in my constituency and has been the cause of considerable unnecessary ill will. I urge the minister to have a look at this situation, where we have two agencies of government seeking to place persons in employment and working at cross purposes in many cases. I urge that this matter be investigated to see if something can be done to have placement in employment put directly in the hands, and only in the hands of the national employment service.

Mr. Olson: When the minister replies I hope he will deal with some citizens in my area who have been refused citizenship. On a number of occasions I have written to him respecting one particular case, which I also raised on the floor of the house. I presume the trouble has to do with security risks.

Subsequent to certain actions that were taken here by some hon. members of the house, the Prime Minister announced that there would be a board of appeal of some kind, quasi judicial, or otherwise. Since then I have asked the Minister of Justice how a member should go about bringing a case to this board of appeal, and he told me all I needed to do was write to him and he would initiate the action that would give this particular person an opportunity to present himself and have the matter cleared up.

I have done that. I have written to the minister of immigration on a number of occasions, but so far I have had no response from him, the Minister of Justice, or the Prime Minister that they are in fact going to hear this case. When he replies I would like him to tell me what I should do now.

Mr. Barnett: I am going to confine my remarks entirely to Indian affairs and because many of the things I might have said have already been said by the hon. member for Skeena, my speech will be that much briefer. The minister in his opening statement set forth a number of objectives with which most members of the committee can agree. Generally speaking I feel we should move in the direction he outlined. However, listening to him, my reaction was that life is going on with the Indian people of our country, and the state of affairs from which the minister suggested we should be moving away has existed for a long time. For example, it existed during the hearings of the joint committee of the Senate and House of Commons on Indian affairs in 1960 and 1961.

When the report of that committee was made public the Indian people in my area thought it had practically become law. I was not a member of this house at that time, but here we are almost at the end of 1963, and once more a minister is outlining some of the objectives which were set forth in the recommendations of that committee. Therefore while I am pleased, as many hon. members have been, with the ideas expressed by the minister, nevertheless I regret, even though he has not been in office many months, that he has not taken steps to institute what I would term a crash program.

As I say, the life of the Indian people goes on and their suffering continues, with its wastage of human talents. I am pleased to note that in supplementary estimates A, there are some supplementary votes devoted to matters of immediate concern to Indian affairs, but I would suggest that these moneys are a long way from being adequate. In correspondence I have tried to point out some of the inadequacies. At this stage of the discussion and at this late hour I will not outline them here, but I would like to give one illustration.

Under the west coast agency there is quite a number of Indian villages where housing conditions are appalling—and that is a mild word to describe the conditions. Some of these votes provide assistance for the development of better housing, but the funds being made available will hardly provide for the building of one house in each of these villages. Each of the villages needs more new houses than the entire agency can provide with its current level of funds. Therefore people will have to go on living in houses through which the wind blows and into which the rain seeps; and the rain sometimes does come down rather heavily on the west coast of Vancouver island.

That is just one little instance of what I describe as the inadequacies of what the people in the field can do with the funds, the sinews of war, with which we in this parliament are providing them. I could not agree more than I do with some of the suggestions and statements that have come from hon. members in this discussion, and we would like to see the end of the whole Indian affairs branch. The sooner, the better. When the hon. member for Northwest Territories suggested a 20 year plan, I think he was outlining a very realistic and worth-while program which many of us could support. But that, I submit, does not mean we should in any way seek to avoid dealing with the immediate situation.

This is why I would urge the minister to bring in, if he can, some further supplementary estimates for this work. I say that because I believe that in so many ways now the Indian people are just on the verge of a real breakthrough into a new era, and something in the way of a crash program at this time, with the understanding that the field people in his department know what they can do with it, could go a long way toward tipping the scales in the right direction to make the Indians willing and eager to become economically self-sufficient.

The hon. member for Skeena made reference to the welfare arrangement that came into effect in British Columbia on January 1 this year. I am not going to attempt to add to what he said, except to point out that because of the remaining disparities which exist in this matter, one of the effects has been that many of the Indian people are trying to move off the reserves and are creating an aggravated situation in the urban areas. I know of examples of Indian people who are ill-prepared for urban living and who are in effect becoming social delinquents because this particular half measure has been instituted between the federal and provincial authorities.

There is one other matter to which I should like to draw particular attention. The minister suggested in his opening remarks that we should be moving in the direction of providing for Indian people various public services on the basis that applies to the rest of the Canadian people, with particular reference to having the provinces assume a wider measure of responsibility in the fields of education, health and welfare, and so on. I would suggest that if we are to have federal-provincial conferences in this field, if we are to move in this direction with the provinces, perhaps one of the things we need is an interdepartmental conference among the various departments of the federal government, because I think the federal government should be providing a lead in this connection before it starts expecting the provinces to move along with them.

By way of illustration of what I mean I should like to refer to a letter which I wrote to the Minister of Public Works earlier this year. In this letter I asked him to have an investigation made into the provision of certain improvements to the harbour installations at Opitsat village on the west coast of Vancouver island. I will not go into the details of the particular proposal that I made, because they are not relevant to the point I want to make. I received a reply from the minister, dated October 22, which reads as follows:

Opitsat, B.C.

Dear Mr. Barnett,

Thank you for your letter of October 15, 1963, in which you make some suggestions for improving the float landing facilities at Opitsat, B.C.

This department does not maintain a public landing at this place. It is my understanding that Opitsat is an Indian settlement and that the landing there was provided by the Indian affairs branch of the Department of Citizenship and Immigration.

Your letter has, therefore, been referred to that department for consideration and reply.

I might add, Mr. Chairman, that I have received since then a letter from the Minister of Citizenship and Immigration saying he will have this matter looked into. But the point I am making is that if we are going to talk about provincial responsibility for Indian education, there should be federal responsibility through the Department of Public Works for federal public works in Indian settlements, the same as there is for every other settlement in this country. This is not a new matter that I am raising. In fact, I think the Secretary of State will recall that a number of years ago when he was minister of citizenship and immigration I asked him what the policy of the government was in this connection, because at that time—and

this is apparently still the case—some installations for Indian villages were built by the public works department and others, as this correspondence reveals, were, and are, provided through funds of the Indian affairs branch. Apparently there is still no federal government policy in this connection. I would suggest this is one of the areas in which we should move to eliminate the kind of discrimination and disparity in the provision of public services to Indian people.

Mr. Orlikow: Mr. Chairman, I have a number of things to say, but there are other members of this group who would like to speak, and obviously we cannot finish by six o'clock. I would therefore be quite happy if we could call it six o'clock.

Mr. Churchill: Let us go on for a few minutes, if the hon. member has a short speech to make. We are willing to listen to him very patiently.

Some hon. Members: Agreed.

Mr. Douglas: Mr. Chairman, I assume the minister is going to reply at some time or other. Certainly a number of matters have been raised upon which the committee will want to hear the minister's views and the replies the minister is likely to make to the various suggestions that have been put forward. I doubt if we could have that reply, plus any other statements, in the short time that is left.

Mr. Churchill: Well, Mr. Chairman, let us sit for one hour. That is long enough.

Some hon. Members: Agreed.

Mr. Howard: Mr. Chairman, I think there was general agreement earlier in the day that at six o'clock it would be six o'clock, unless a moment or two would suffice to finish the business. I myself would be quite agreeable to pass the estimates, but the minister has not had a chance to reply. The hon. member for Winnipeg South Centre is wont at all times to perhaps spend the afternoon napping in his office and then come down here and suggest that we should sit on.

Mr. Monteith: If you would spend some time in the house, it would be a lot better.

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

Some hon. Members: Six o'clock.

Mr. Monteith: Let us call it six o'clock.

Mr. Howard: Well, Mr. Chairman, they are saying it is six o'clock now. The hon. member for Perth said that if I spent some time in the house, things would be better. I would like to point out that the hon. member for Perth is a member of the privileges and elections committee, and the only time he attended that committee was to come in and defeat a legitimate request by the people on that committee which would have done something sensible for this country.

Mr. Monteith: Mr. Chairman, on the question of privilege, I would like to state that I was present at the meetings of that committee more than the one time to which the hon. member has referred.

Mr. Peters: If it is the wish of the committee to continue this debate, Mr. Chairman, I would suggest that tomorrow we sit for the same hours as we sat today. I think any hon. member would be quite agreeable to continuing this debate tomorow.

Some hon. Members: Shame.

Mr. Peters: I would suggest that those who are saying "shame" should have a little understanding of the fact that the *Hansard* reporters, the translators and others have had an exceptionally difficult week, one which would not be allowed anywhere else. If we had a regular day's sitting tomorrow, hon. members might be agreeable to participate.

Mr. Pickersgill: I assume, Mr. Chairman, that if I attempted the unusual role of peacemaker I would not get very far; but if total abstinence would appeal to a few hon. gentlemen on the other side of the house, and if the minister were permitted about five minutes to make a brief reply, perhaps we could pass these estimates and we could then start something fresh at the next sitting.

Some hon. Members: Agreed.

Mr. Pickersgill: But I am not pressing that point at all. If there is any objection from any quarter the hon. member for Skeena is quite right. We got agreement to sit till six o'clock and I would not suggest anything more.

Mr. Skoreyko: Mr. Chairman, in view of the fact that there is so much more legislation to be dealt with before prorogation surely you can get unanimous consent to sit another half hour, even if that is necessary. I say this because I know the N.D.P. would not dare obstruct, as I have before me a letter written by the hon. member for Winnipeg North Centre to his constituents blaming the Conservative party for obstruction in this house. We have never been guilty of that and are prepared to sit tonight for the next half hour.

Mr. Knowles: If that letter is to be referred to I trust that the hon. member will read the entire letter; otherwise it is six o'clock.

Mr. Pickersgill: Not after six o'clock.

The Deputy Chairman: Is it agreed that the committee continue?

Some hon. Members: Agreed.

Mr. Peters: Six o'clock.

Mr. McCutcheon: Obstruction.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Mr. Speaker, I believe there would be a disposition on the part of the house to make an order now that on Monday next we sit until 10.30 instead of ten o'clock; that on Tuesday next we sit until 10.30 rather than ten o'clock; that if we complete the legislation that the government puts forward on those two days and there is any time left before 10.30 on either day the house would agree to go into committee of supply without question put; and that on Wednesday we would sit till seven o'clock. If my understanding of the will of the house is correct, I hope that that would be made an order of the house.

Mr. Churchill: We agree.

Mr. Knowles: This is in accordance with our understanding and we agree.

Mr. Patterson: We are in agreement with that plan.

[*Translation*]

Mr. Laprise: We also agree, Mr. Speaker.

[*Text*]

Mr. Douglas: Mr. Speaker, I think it should be understood that when we agree to these hours they should be kept. This constant business of trying to extend the hours another half hour or an hour is unfair to members who have stayed faithfully throughout the entire period. I think that if we agree to these hours we should adhere to them.

Mr. Churchill: Not necessarily.

Mr. Pickersgill: I should like to think that there is nothing but free consent in these matters and that that question would not arise.

The Acting Speaker (Mr. Batten): Is it agreed that the hours of sitting next week be extended in accordance with the statement made by the Secretary of State (Mr. Pickersgill)?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Batten): It is so ordered.

Mr. Churchill: Will the Secretary of State tell us what we are to fit into those hours?

Mr. Pickersgill: I will be glad to tell the house what I should like to have fitted into those hours. I should like the house to find it possible on Monday to deal with the bill respecting the representation commissioner, I hope in all its stages; with the bill respecting the Customs Tariff; with the bill respecting salaries; with the bill respecting the national centennial; with the bill respecting C.N.R. financing; and with both the resolution and the bill respecting the world's fair.

In addition to that there are four bills which have already come from the Senate, three of them relating to the Department of Transport and one abolishing the Newfoundland Savings Bank, which has not existed for several years anyway, all of which we should like at some time during the week to get passed. They might be held over till after all the estimates have been passed to be dealt with during the interval while the other place is considering the appropriation bill. Those ten legislative items—the first six of which the government feels are essential, and the four Senate bills—we feel desirable to dispose of, and I do not think they are too controversial.

There are two other items on the order paper which might be taken if time could be found for them. One is the aeronautics bill, which is pretty well through incidentally, and the other the bill relating to provincial taxes; but the government would not hold up prorogation if neither of these measures is even touched during the week, much less completed.

On Wednesday, as I indicated last night, it is our thought that we should start with the eagerly anticipated estimates of the Postmaster General. About an hour later, when they have been completed we would take the Speaker's estimates, for which there seems to be some desire. We would also try on Wednesday to complete the Department of National Revenue. Some other departments would be available as well for the last hour or two after those have been completed on Wednesday.

As for the estimates for the other two days of the week I think it would be desirable to have some consultation when we have made more progress.

Mr. Howard: Before you leave the chair, Mr. Speaker, could we perhaps get the sense of the house now with respect to the suggestion that we dispense with the debate on the notice of motion in the name of the Minister of Citizenship and Immigration (Mr. Favreau) regarding the Indian claims commission in order that the bill may be introduced?

Mr. Pickersgill: In view of the debate which has taken place on the minister's estimates, if it was the desire to sit for another few minutes so that Mr. Speaker could leave the chair to go into committee to consider that motion, and then have the bill introduced, I think it would expedite matters a great deal and would be very much appreciated.

Mr. Churchill: Bring it forward in the regular way on one of the other days.

Mr. Knowles: Let us do it now.

Mr. Pickersgill: Why wait for spring?

Mr. Peters: Agreed.

Mr. Muir (Cape Breton North and Victoria): When the leader of the house was announcing the business for next week I did not hear him mention the estimates of the Department of Industry. I believe there was a suggestion that they might be up for consideration on Tuesday. I see the hon. member for St. Antoine-Westmount shakes his head, but I believe the Secretary of State did say something to that effect. He knows the importance of this. The people of Nova Scotia are anxiously awaiting a statement by the Minister of Industry on the heavy water situation.

Mr. Pickersgill: I share the concern which the hon. member feels about this matter and every endeavour will be made to bring the estimates of the Department of Industry back again before the committee as soon as it is possible for the minister to say something constructive about that matter.

INDIAN AFFAIRS

PROVISION FOR DISPOSITION OF INDIAN CLAIMS

Hon. Guy Favreau (Minister of Citizenship and Immigration) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to provide for the disposition of Indian claims and in relation thereto,—

1. To provide for the establishment of an Indian claims commission;
2. To provide for the duties of the commission, its decisions and awards;
3. To provide for appeals from the decisions of the commission to the Indian claims appeal court; and
4. To enact such financial provisions as may be necessary to accomplish the purposes of the act.

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

Resolution reported and concurred in.

Mr. Favreau thereupon moved for leave to present Bill No. C-130, to provide for the disposition of Indian claims.

Motion agreed to and bill read the first time.

Mr. Churchill: Now we have made this concession, may we revert to committee of supply and go on with the estimates of the department?

It being fourteen minutes after six o'clock the house adjourned, without question put.

HOUSE OF COMMONS

Monday, December 16, 1963

The house met at 2.30 p.m.

EXTERNAL AFFAIRS

ATOMIC ENERGY—TABLING OF AGREEMENT WITH INDIA

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I should like to table copies of an atomic energy agreement with India, the nature of which has already been indicated to the house, which is being signed in New Delhi today.

BANKING AND COMMERCE

Thirteenth report of standing committee on banking and commerce.—Mr. Asselin (Notre Dame de Grace).

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

NATO SECURITY SCREENING

Question No. 1,163—**Mr. Orlikow:**

1. Which NATO allies insist on a house to house check of neighbours before individuals have access to NATO information?
2. Does Canada make similar demands of our NATO allies before non-Canadian NATO personnel are given access to Canadian information and, if so, which NATO allies?
3. When adverse information is received about an individual from any source, is an opportunity given to that individual to refute or explain the circumstances before a decision is reached?

Mr. Pearson: 1 and 2. All parties to the north Atlantic treaty subscribe to a security agreement which requires them to protect each other's classified information. A common minimum standard of security procedures, methods and techniques has been established and adopted by all parties to the treaty. Each party is responsible for the security clearance of its own nationals irrespective of where they may be employed. Details of these arrangements which Canada has with its allies are matters of confidential agreement which it would not be in the public interest to disclose.

3. In some cases, when adverse information about an employee is received from sources which are secret and sensitively placed, it is impossible to discuss the information with him in order that he be given an opportunity to refute or explain it, either before or after a decision is reached. The reason, of course, is that divulging the information would jeopardize the source and his continuing ability to provide information essential both to the process of determining the degree of confidence which can be placed in employees being appointed to sensitive positions, and to obtaining continuing and accurate information about subversive organizations in Canada. In the majority of cases, however, where the source or sources of the adverse information are either public or capable of being adequately protected, the employee will be interviewed and given an opportunity to explain or refute the adverse information.

REDISTRIBUTION

Question No. 1,254—**Mr. Mather:**

What is the situation respecting redistribution of electoral constituencies in line with population?

Mr. Pickersgill: This question is being dealt with by legislation on the order paper.

REPATRIATION OF CANADIAN CONSTITUTION

Question No. 1,591—**Mr. Côté (Chicoutimi):**

1. Has the government any plans for the early repatriation of Canada's constitution?
2. Have any negotiations been initiated with a view to repatriating the constitution?
3. What, if any, are the obstacles delaying the immediate repatriation of the Canadian constitution?
4. Is Canada recognized as a fully sovereign and independent nation at the United Nations?
5. What steps would be necessary to achieve the recognition in the U.N. of the Prime Minister as head of state?

Answer: 1, 2 and 3. As the Minister of Justice announced in Banff, on September 6, 1963 and at Quebec city on October 19, 1963, it is the intention of the government to convene a federal-provincial conference next year to seek agreement on an amendment to the British North America Act under which all amendments to the constitution may be made in Canada, and such further amendments as are necessary to meet the needs of today and to reflect the new concept of co-operative federalism. Agreement with the provinces to an amendment to the British North America Act is required to accomplish these objectives.

4. Yes.

5. It is not possible to have the United Nations recognize the Canadian Prime Minister as head of state because he is head of government.

Questions

C.N.R. STATION REVENUE, ALMA, ONT.

Question No. 1,615—**Mr. Howe (Wellington-Huron):**

What was the total revenue earned by the Canadian National Railways station at Alma, Ontario, for the years 1959, 1960, 1961 and 1962?

Mr. McIlraith: The management of Canadian National Railways advise as follows:

Information which is currently available is contained in application to remove the agent at Alma, which was filed on October 17 with the Board of Transport Commissioners for Canada, as follows: August 1961 to December 1961, $8,644; January 1962 to December 1962, $15,208; January 1963 to July 1963, $4,960.

Information for other years is not immediately available.

EXTENSION OF C.B.C. SERVICES IN NORTHWEST TERRITORIES

Question No. 1,636—**Mr. Rheaume:**

1. Have representations been received by the government to have the C.B.C. extend the following services in the N.W.T.: (a) radio station at Cambridge Bay (b) radio station at Fort Simpson (c) television station at Yellowknife?

2. If so, by whom were these representations made, when were they received, and what action if any has been taken on these requests?

3. If not, will the government ask the C.B.C. to look into the possibility of extending the services referred to in part 1 (a), (b), and (c)?

Mr. Laing: 1 and 2. (a) No.

(b) Yes. Letter addressed to me from G. Hamilton, acting secretary of the Fort Simpson community club dated September 25, 1963, asking that my department supply a full time manager. This request was referred to the C.B.C. as the agency primarily concerned with broadcasting in the north, as throughout Canada.

(c) Yes. Oral representations were made to me last summer by Mr. Pike of United Keno Hill Mines and Mr. Colthorpe of Con-Rycon (Gold) Mine, Yellowknife, N.W.T. This request was also referred to the C.B.C., as the government agency primarily concerned with the problem involved.

3. N/A.

FRENCH PROPOSAL FOR CO-OPERATIVE ATTACK ON CANCER

Question No. 1,666—**Mr. Mather:**

Is the government aware of the proposal being studied by the French government under which France, Britain, the U.S.S.R. and the U.S. would co-operate in an attack on cancer by pooling one half of 1 per cent of their military budgets to that end and, if so, will the government give consideration to Canadian participation in such a project?

Miss LaMarsh: The government is fully aware of the proposal made by a group of French scientists and other leading citizens that France, the United States, the United Kingdom and the U.S.S.R. devote one half of 1 per cent of their military budgets to international cancer research.

No formal request for Canadian participation has been received but such a request would receive careful consideration by the government.

PAUL PELLETIER

Question No. 1,696—**Mr. Fisher:**

1. When was Paul Pelletier transferred to the post of deputy minister of veterans affairs?

2. What was his salary at the civil service commission and his salary on assuming the new post?

3. In brief, what were the reasons, leading to this transfer?

4. How long was Mr. Pelletier a civil service commissioner?

5. How many recommendations were made by Mr. Pelletier during his term as commissioner that non-bilingual positions be reclassified in order that they be made bilingual positions through departmental competitions?

6. How many such recommendations were made on the initiative of the other commissioners?

7. What were the names and classifications of each position, if any, and in which departments were they?

8. In any of these reclassifications, were any appeals received against the re-classification and, if so, how many, and what was their result?

Mr. Pickersgill: 1. On September 19, 1963.

2. $18,000 and $20,000.

3. I am informed by the Prime Minister's office that the position of deputy minister of veterans affairs was vacant, and Mr. Pelletier was appointed as one well qualified to fill it.

4. From August 1, 1957 until September 19, 1963.

5. From time to time during his term as commissioner, Mr. Pelletier as well as the other commissioners and officers of the civil service commission, discussed with various officials of government departments the bilingual requirements of positions on departmental establishments to ensure a judicious application of the provisions of the Civil Service Act concerning the language requirements of positions. From the records of the commission it is not possible to trace back the individual contribution of the various parties to these discussions.

6. See answer to question 5.

7. From the records of the commission it is not possible to trace back the modifications in qualification requirements of positions which may have been made as the result of these discussions.

8. No such appeals were received.

C.N.R. STATION, PRINCETON, ONT.—REVENUE

Question No. 1,705—**Mr. Nesbitt:**

What was the total revenue earned by the Canadian National Railways station at Princeton, Ontario, for the years 1958, 1959, 1960, 1961 and 1962?

Mr. McIlraith: The management of Canadian National Railways advise as follows:

Information which is currently available is contained in application to remove the agent at Princeton, which was filed on October 25 with the Board of Transport Commissioners for Canada, as follows: August 1961 to December 1961, $8,872; January 1962 to December 1962, $18,939; January 1963 to July 1963, $8,012.

Information for other years is not immediately available.

LITTLE ANSE, N.S., BREAKWATER

Question No. 1,710—**Mr. Douglas:**

Have representations been received concerning the harbour of Little Anse, Richmond county, N.S., and a breakwater to protect the fishing fleet and, if so, what is the nature of these representations and what consideration has been given to them?

Mr. Badanai: Yes; the representations were of a general nature requesting that the harbour at Little Anse be improved. The department has since considered various possibilities including a second breakwater but, because the department maintains a satisfactory harbour at Petit de Grat only four miles away, it was considered the expenditure involved could not be justified at this time.

GRADE CROSSING, SCARBOROUGH TOWNSHIP

Question No. 1,725—**Mr. Scott:**

1. Has the government received any representations for action to be taken to remedy the dangerous situation of the grade crossing on St. Clair avenue east in Scarborough, Ontario, between Kennedy road and Midland avenue?
2. If such representations have been received, who made such representations?
3. Has the government any plans in this regard and, if so, what is the nature of such plans?
4. To what extent does the board of transport commissioners take the initiative in these matters?

Mr. McIlraith: The Board of Transport Commissioners for Canada advise as follows:

1. No. However, a complaint was received to the effect that traffic tie-ups occur at St. Clair avenue crossing as the result of the number of trains passing over the crossing during the rush hour.

2. The complaint was made by Mr. J. R. Brash, Scarborough, Ontario.

The township of Scarborough suggested that further investigation be made into the operation of the gates at the crossing to ensure a free flow of highway traffic when the crossing is not being used by trains.

3. St. Clair avenue crossing is protected by two flashing light signals, two short arm gates and one bell.

The board of transport commissioners has requested Canadian National Railways to place a time recorder in service at St. Clair avenue crossing, in order to determine the number of delays to highway traffic at the crossing. Canadian National Railways advised that the recorder was in operation from 7 p.m. September 30 to 12 p.m. November 9. The recorder chart indicates that on some occasions the gates operated longer than necessary due to eastward extended approach being occupied while gates were being operated by some other train movements. The company advised that it is reviewing the operation of the circuits to determine the action necessary to reduce, as far as possible, the excessive operation of the protection.

4. As soon as the board is made aware of any dangerous condition at a crossing, an investigation is made to determine the appropriate action to be taken for the protection, safety and convenience of the public at such crossing.

LIFE INSURANCE

Question No. 1,731—**Mr. Moreau:**

What is the breakdown of the total life insurance in force in each province expressed in percentage of the Canadian total?

Mr. Benson: The distribution of life insurance in force by province for life insurance companies supervised by the federal department of insurance is shown on page 90A of volume I of the report of the superintendent of insurance for Canada for 1962. This represents about 95 per cent of the life insurance in force in Canada. The percentage distribution is as follows:

Province	Per cent
Newfoundland	.79
Prince Edward Island	.27
Nova Scotia	2.89
New Brunswick	2.05
Quebec	26.65
Ontario	53.36
Manitoba	4.29
Saskatchewan	3.22
Alberta	6.72
British Columbia	8.74

INVESTMENT OF LIFE INSURANCE COMPANIES IN BONDS AND MORTGAGES

Question No. 1,732—**Mr. Moreau:**

What is the breakdown, by provinces, of the investment of life insurance companies, in provincial and municipal bonds, and in mortgages, expressed in percentage of the total investment in these categories by life insurance companies in Canada?

Mr. Benson: The percentage distribution, by province, of the investment of life insurance companies supervised by the federal department of insurance in provincial and municipal bonds and in mortgages is as shown in the following table.

Questions

In so far as the investments of British and foreign companies are concerned this information relates only to those assets on deposit for the protection of Canadian policyholders. The distribution of investments in municipal bonds is based on a sample of companies. The sample represents companies whose investment in municipal bonds represents approximately 85 per cent of the investment in this category by all registered companies.

	Provincial bonds as at Dec. 31/62 per cent	Municipal bonds as at Dec. 31/62 per cent	Mortgages as at Dec. 31/62 per cent
Newfoundland	1.37	.02	.08
Prince Edward Island	.54	.28	.04
Nova Scotia	3.80	.65	.83
New Brunswick	2.58	.64	.80
Quebec	27.10	16.14	23.11
Ontario	29.34	60.37	50.39
Manitoba	8.30	6.78	4.25
Saskatchewan	4.21	4.37	1.37
Alberta	4.57	2.84	9.49
British Columbia	18.19	7.91	9.64

RESTRICTIONS ON FOREIGN TAKE-OVERS OF INSURANCE COMPANIES

Question No. 1,733—**Mr. Moreau:**

Are there any restrictions against foreign take-overs of Canadian insurance companies and, if so, what are they?

Mr. Benson: As respects insurance companies incorporated by parliament, there are no restrictions on the ownership of shares, but a majority of the directors must be Canadian citizens ordinarily resident in Canada.

FOREIGN CONTROL OF INSURANCE COMPANIES

Question No. 1,734—**Mr. Moreau:**

Have any Canadian (a) life insurance (b) fire and casualty companies, fallen under foreign control in the past ten years and, if so, which companies, and in what years?

Mr. Benson: The following information relates only to companies supervised by the federal department of insurance.

(a) Canadian life insurance companies falling under foreign control in the last 10 years.

Company	Year
The Continental Life Insurance Co.	1955
The Western Life Assurance Co.	1956
The Commercial Life Assurance Co.	1956
The Dominion Life Assurance Co.	1957
The Fidelity Life Insurance Co.	1957
The Excelsior Life Insurance Co.	1960
The National Life Assurance Co.	1960

[Mr. Benson.]

(b) Canadian fire and casualty companies falling under foreign control in the last 10 years.

Company	Year
The Stanstead & Sherbrooke Insurance Co.	1955
The Protective Association of Canada	1958
The Halifax Insurance Co.	1959
The British American Assurance Co.	1961
The Western Assurance Co.	1961
The British Canadian Insurance Co.	1961
The British Empire Assurance Co.	1961
The Imperial Guarantee & Accident Insurance Company of Canada	1961
The Consolidated Fire & Casualty Insurance Co.	1961
The Federal Fire Insurance Company of Canada	1961
The Wellington Fire Insurance Co.	1961
The Dominion Insurance Corporation	1961

INVESTMENT IN STOCKS BY LIFE INSURANCE COMPANIES

Question No. 1,735—**Mr. Moreau:**

What percentage of total assets is invested in Canadian common stocks by life insurance companies operating in Canada?

Mr. Benson: As respects Canadian life insurance companies supervised by the federal department of insurance, the percentage of total assets invested in Canadian common stocks is 1.35.

As respects British and foreign life insurance companies operating in Canada the percentage of total assets on deposit for the protection of Canadian policyholders invested in Canadian common stocks is 2.87.

INVESTMENTS BY LIFE INSURANCE COMPANIES

Question No. 1,736—**Mr. Moreau:**

What is the breakdown by major categories (bonds, common stocks, mortgages) of investment by Canadian life insurance companies in percentages of their total assets?

Mr. Benson: An analysis by major categories of investments by Canadian life insurance companies supervised by the federal department of insurance is published on pages xxii and xxiii of volume I of the report of the superintendent of insurance for 1962.

RESTRICTIONS ON SECURITY HOLDINGS OF LIFE INSURANCE COMPANIES

Question No. 1,738—**Mr. Moreau:**

Are there any federal limits placed on life insurance companies to the holding of each kind or category of security and, if so, what are they?

Mr. Benson: The following information relates to limitations on certain categories of investment applying to companies supervised by the federal department of insurance.

(1) Canadian companies. (a) The total book value of the investments of a company in real estate or leaseholds for the production of income shall not exceed 10 per cent of the book value of the total assets of the company. (b) The total book value of the investments of a company in common shares shall not exceed 15 per cent of the book value of the total assets of the company.

(2) British and foreign companies. The above limitations apply to British and foreign companies transacting life insurance in Canada as respects assets placed on deposit or vested in trust in Canada for the protection of Canadian policyholders.

RESTRICTIONS ON STOCK HOLDINGS OF LIFE INSURANCE COMPANIES

Question No. 1,739—**Mr. Moreau:**

Are there any federal restrictions to life insurance companies holding common stocks and, if so, what are they?

Mr. Benson: The following information relates to Canadian life insurance companies supervised by the federal department of insurance.

(a) The total book value of investments of a company in common shares shall not exceed 15 per cent of the book value of the total assets of the company; (b) not more than 30 per cent of the common shares and not more than 30 per cent of the total issue of the shares of any corporation shall be purchased by any company; (c) a company shall not invest in its own shares and shall not invest its life insurance funds in the shares of any company transacting the business of life insurance; (d) except as described in paragraph (e) shares eligible for investment must have had a record of a dividend payment amounting to at least 4 per cent of the average value at which the shares are carried in the capital stock account of the issuing corporation in each year for a period of seven years preceding the date of investment; (e) a company may invest in common shares not meeting the dividend requirements described in the preceding paragraph and in other investments not specifically authorized but the total so invested may not exceed 5 per cent of the book value of the total assets of the company.

RESTRICTIONS ON INSURANCE COMPANIES HOLDING INSURANCE STOCKS

Question No. 1,740—**Mr. Moreau:**

Are there any federal restrictions to Canadian insurance companies holding stock in other Canadian insurance companies and, if so, what are they?

Mr. Benson: The following information relates to companies falling under the supervision of the federal department of insurance.

(a) A company registered to transact the business of life insurance may invest in common shares of other insurance companies subject to the limitations described in the answer to question No. 1,739 and to the further limitation that such a company may not invest its life insurance funds in the shares of a company transacting the business of life insurance; (b) a company, other than a company registered to transact the business of life insurance, may invest in the fully paid shares of any other company transacting the business of insurance but no such investment shall be made if, as a result thereof, the total amount invested in such shares would exceed 50 per cent of the surplus of the company as shown in the most recent annual statement deposited in the department. Such investment is exempt from the limitations described in the answer to question No. 1,739 except that the book value of the total investments of the company in common shares, including common shares of other insurance companies, may not exceed 15 per cent of the book value of the total assets of the company.

HOSPITAL GRANTS, METROPOLITAN TORONTO

Question No. 1,756—**Mr. Scott:**

1. Has the government received a communication from the chairman of the municipality of metropolitan Toronto pointing out that new hospital construction and expansion required to reduce the critical shortage of active treatment beds in metropolitan Toronto cannot proceed on the basis of the grants as they are now being made?

2. If so, what plans does the government have in mind to increase the grants or to otherwise assist metropolitan Toronto to relieve such alleged conditions?

Miss LaMarsh: 1. Yes.

2. This matter is under active consideration.

SALARIES OF PERSONNEL, DREDGE NO. 21

Question No. 1,759—**Mr. Coates:**

What are the monthly salaries plus board and allowances, paid to the operator, engineer and assistant engineer, on dredge No. 21, operated by the Department of Public Works?

Mr. Badanai: Engineer (master), at a rate of $5,507 per annum during dredging season. Assistant engineer, at a rate of $4,577 per annum during dredging season. Operator (leverman), $330 per month.

During the season the master of the dredge is allowed an additional $1.58 per day per man to purchase provisions for himself and his crew. In the off season months the ship's officers, engineer and assistant engineer, draw half pay.

DIVERSION OF SHIPS FROM MONTREAL

Question No. 1,764—**Mr. Bell:**

Have any ships been diverted in the last two years from Montreal to other ports because of the danger of low water and, if so (a) how many, and (b) to what ports were the diversions (c) were

any efforts made to effect the diversions to Halifax and Saint John and with what success?

Mr. McIlraith: The national harbours board advise, in so far as their board is concerned, as follows: some grain ships, the number is not known to the harbour authority, which would normally have been loaded at Montreal, are reported to have been loaded at other ports due to the vessel owner or agent diverting his ship to a port where there is sufficient depth of water to enable him to take on a larger cargo than was originally intended, and which he may consider would not be within the draught limits of his ship and the 35 foot water level of Montreal harbour. It is not known whether or not any diversions have been made to Halifax or Saint John as it is the prerogative of the vessel owner or agent to load his ship where he considers it will best suit his purposes.

BANK CREDIT

Question No. 1,773—**Mr. Latulippe:**

What is the total bank credit (loans and investments, seasonally adjusted) in comparison to output of goods and services in Canada for the last two years?

[*Translation*]

Mr. Benson:

	Chartered Bank Assets[1]	Gross National Product at Market Prices
	(millions of dollars)	
1961	13,110	37,421
1962	14,085	40,401

[1] Average of month-end figures. Includes Bank of Canada notes and deposits, day-to-day loans, treasury bills, government of Canada direct and guaranteed bonds, net foreign assets, call and short loans, other loans, insured residential mortgages and other Canadian securities. Since figures are annual averages no seasonal adjustment is necessary. Details are available in the Bank of Canada statistical summary.

[*Text*]

MORTGAGE DEBT

Question No. 1,774—**Mr. Latulippe:**

1. What is the increase, for each year since 1951, of mortgage debts in Canada?
2. On the average, what is the payment per year for individual mortgage debt on homes, farm housing, apartment buildings?

Answer: 1 and 2. Reliable data are available only for mortgage debt held by governments, government agencies, lending institutions and other corporations in Canada. These data relate to mortgage debt on commercial and industrial property as well as mortgage debt on residential and farm property. Data on repayments of mortgage debt held by these lenders are available only in total, and not in terms of the average amount of repayment per loan. The amounts are shown below:

Mortgage debt held by governments, government agencies, lending institutions and other corporate lenders

	($ millions) Net increase	Repayments & other decreases
1951	357	248
1952	256	276
1953	340	298
1954	494	328
1955	712	439
1956	742	577
1957	498	589
1958	920	663
1959	1,096	732
1960	830	899
1961	959	922
1962	1,180	1,195

DEFENCE EXPENDITURES AS PERCENTAGE OF TOTAL

Question No. 1,780—**Mr. Matheson:**

Expressed as a percentage of total federal expenditures, what moneys have been expended on defence each year commencing 1955?

Mr. Benson:

Year	per cent
1954-55	39.4
1955-56	39.9
1956-57	36.8
1957-58	33.2
1958-59	26.9
1959-60	26.9
1960-61	25.8
1961-62	25.3

*NARCOTIC CENTRE SEWER OUTLET, MATSQUI, B.C.

Question No. 1,815—**Mr. Herridge:**

1. Have representations been received by the government to the effect that the sewer from the narcotic centre, sponsored by the penitentiary branch of the Department of Justice at Matsqui, B.C., will empty into a lagoon, contained by a dike built on a sawdust base and with a sawdust core?
2. If so, what action will be taken to ensure that, in the event the dike washes out, responsibility for contamination of valuable farm lands of Matsqui prairie can be easily established?

Mr. Badanai: 1. No such representations have been received by the Department of Public Works. The construction of this sewerage system is not the responsibility of the department as this service will be made available by the municipality.

2. Not applicable.

PUGWASH, N.S., PILOTAGE AUTHORITY

Question No. 1,816—**Mr. Coates:**

Have the members of the Pugwash pilotage authority been dismissed from their positions and, if so, for what reasons?

Mr. McIlraith: Four members of the Pugwash pilotage authority have been replaced because of political activities.

ELECTRICAL SYSTEM, QUAY WALL, PICTOU, N.S.

Question No. 1,818—**Mr. MacEwan:**

Have tenders been called for an electrical service system for the quay wall at Pictou, N.S. and, if so (a) what were the names of the tenderers and the amounts of their tenders, and (b) to whom will the contract for the work be awarded?

Mr. Badanai: Yes; (a) Ferguson Industries Ltd., Pictou, N.S., $13,987; C. E. McCarthy, New Glasgow, N.S., $17,990. (b) The award of the contract to the low tenderer has been recommended.

MAIL CONTRACT, HALIFAX-PORT HAWKESBURY, N.S.

Question No. 1,819—**Mr. MacEwan:**

Have tenders been called for a mail contract from Halifax, N.S., to Port Hawkesbury, N.S. and, if so (a) what were the names of the various tenderers and the amounts of their tenders, and (b) to whom will the contract be awarded?

Mr. Denis: Yes. Tenders were receivable up to noon on Friday, 29th November 1963.

(a) Moffat Bros. Refrigeration Service Ltd. (Douglas Moffatt) Box 731, Truro, $22,000; John R. Fletcher, 3344 Connaught Ave., Halifax, $22,800; John H. Maclean, 6243 Quinpool Rd., Halifax, $23,650; Peter Werenka, 6330 Chebucto Rd., Halifax, $29,690.25; Edward J. Kelly, Box 1, R.R. 1, Irene Ave., Lower Sackville, $30,810; Donald Zinck, Gordon Zinck, Antigonish, $32,000; Douglas J. Dickson, Box 26, New Glasgow, $35,000.

Late tender: James Beck, P.O. Box 399, New Glasgow, was submitted too late to receive consideration, $28,800.

(b) Following the usual inquiry, the contract would be awarded to the lowest competent tenderer who can offer sufficient security for the faithful performance of the service.

MAIL CONTRACT, NEW GLASGOW-ANTIGONISH, N.S.

Question No. 1,820—**Mr. MacEwan:**

Have tenders been called for a mail contract from New Glasgow, N.S., to Antigonish, N.S. and, if so (a) what were the names of the various tenderers and the amounts of their tenders, and (b) to whom will the contract be awarded?

Mr. Denis: Yes. Tenders were receivable up to noon on Friday, 29th November 1963.

(a) Colin D. MacGillivray, R.R. 1, Avondale, $5,820; Donald Zinck, Gordon Zinck, Antigonish, $6,000; Douglas J. Dickson, Box 26, New Glasgow, $6,000; Malcolm MacDonald, Egerton, $7,200.

Late tender. James Beck, P.O. box 399, New Glasgow, $5,000, was submitted too late to receive consideration.

(b) Following the usual inquiry, the contract would be awarded to the lowest competent tenderer who can offer sufficient security for the faithful performance of the service.

CONTRACT FOR FLAT CARS, EASTERN CAR CO.

Question No. 1,821—**Mr. MacEwan:**

Has the Canadian National Railways awarded a contract for 100 steel flat cars to Hawker Siddeley group, Eastern Car Company division at Trenton, N.S. and, if not, when will this contract be awarded?

Mr. McIlraith: The management of Canadian National Railways advise as follows: Yes, on October 15 last.

REPLACEMENT OF RETAINING WALL, PARRSBORO, N.S.

Question No. 1,823—**Mr. Coates:**

Has the government, in its tender call for the rebuilding of the approach to the government wharf at Parrsboro, included in the work to be carried out the replacement of the wooden retaining wall which is in a state of disrepair?

Mr. Badanai: The reconstruction of the approach to the public wharf at Parrsboro, for which tenders are now being called, does not include replacement of the retaining wall.

*THREE RIVERS BRIDGE

Question No. 1,825—**Mr. Fisher:**

1. When was the legislation empowering the construction and operation of a bridge by a private corporation at Three Rivers, Quebec, introduced, passed by the Senate, by the house, given royal assent, and approved by order in council?

2. Will the structure of the bridge and piers affect the St. Lawrence and, if so, what is the estimated cost to the government of protecting the present navigable and water level attributes of the river?

3. When did the government receive this estimate of cost?

4. Does the legislation or any other statutory provisions ensure that such estimated expenditures shall be borne or shared by the bridge corporation?

5. Has the government any powers, given a decision that the cost of protecting the waters is too high for the government, to stop the construction?

6. Is there any possibility the bridge structure may affect access or ease of traffic into the harbour of Three Rivers and, if so, in what ways?

7. Has the government examined the plans of the bridge structure and, if so, has there been an acceptance of these plans as complete, adequate, and designed for this specific place and problem?

Mr. McIlraith: Chapter 71 of the statutes of 1956 which received royal assent on June 7, 1956; and chapter 65 of the statutes of 1960-61 which received royal assent on June 22, 1961, refer to the bridge corporation and bridge project. Orders in council P.C. 1963-368, March 4, 1963, deals with the matter of approval of plans for the bridge.

2. Yes. It has been estimated that remedial works in lake St. Pierre to protect against this could cost up to $60 million.

3. Studies of protective works which might be required were developed during the past winter and the spring of this year.

4. No.

5. This question relates to a matter of legal interpretation.

6. Yes, because of the number and location of piers. The St. Lawrence river pilots have also raised objections with regard to handling of ships in the river at this area which would result from the bridge construction.

7. The order in council of March 4, 1963 had three different sets of plans attached. As previously indicated to this house, grave concern exists that any of these plans could cause serious problems relating to navigation, ice jamming, flood damage above and below the site of the bridge, impediment to harbour growth and other possible consequences which could only be resolved, and then perhaps only partly, by heavy federal expenditures on upstream protective works.

T.C.A. CONTRACT FOR DC-9 AIRCRAFT

Question No. 1,828—**Mr. Marcoux:**

Does the Minister of Transport intend to recommend that Trans-Canada Air Lines cancel their order for DC-9 aircraft until prototypes of the aircraft have been produced, tested and certified as meeting all safety requirements?

Mr. Cantin: No.

*AGE LIMIT FOR PENITENTIARY GUARDS

Question No. 1,829—**Mr. Grafftey:**

Are applications for the position of guard in federal penitentiaries accepted from persons 40 years of age or over and, if not (a) how long has this policy been followed (b) will the policy be reviewed in the light of the program of the Department of Labour to encourage the employment of persons over 40 years of age?

Mr. Macdonald: No, except in the case of veterans with overseas service who meet the health and physical fitness requirements. (a) Since the 18th of October, 1960, when the age limit for employment as guard was raised from 35 years of age; (b) no, because of the agility and physical fitness required of the custodial staff of the penitentiaries.

*MONTREAL GRAIN ELEVATORS MANAGER

Question No. 1,833—**Mr. Pigeon:**

1. Who is the manager of the Montreal grain elevators?
2. Was he appointed following a civil service competition?
3. What previous experience did he have in this field?
4. Is he bilingual?

[*Translation*]

Mr. Cantin: 1. Mr. F. W. Moore, general superintendent of grain elevators, national harbours board, Montreal harbour.

2. No.

3. Mr. Moore has served in various capacities in grain elevators since 1921, including positions as assistant superintendent in 1930 and elevator manager in 1958. He was appointed as general superintendent of grain elevators at Montreal harbour on April 1, 1963.

4. No.

[*Text*]

RECREATIONAL PARKS DEVELOPMENT

Question No. 1,841—**Mr. Dinsdale:**

1. Was the subject of recreational parks discussed at the recent federal-provincial parks conference?
2. Did the federal government propose a joint federal-provincial program of recreational parks development to meet the urgent needs for additional facilities of this kind and, if so, will this program supplement or supersede the federal-provincial camp grounds and picnic site program?

Mr. Laing: 1. Yes, in the context of possible measures to improve and extend park facilities across Canada to meet current and expected requirements.

2. Federal officials discussed with provincial officials the need to inventory all parks resources in Canada at the federal, provincial and municipal level. This was agreed and when the inventory has been concluded, it will be possible to determine what gaps exist in the present parks systems and what plans should be implemented to provide for future needs.

NATIONAL PARKS ZONING POLICY

Question No. 1,842—**Mr. Dinsdale:**

1. What are the basic features for the zoning policy for national parks announced last January?
2. Has the policy been applied to any of Canada's national parks as yet?
3. Is it intended that the policy shall apply to all national parks in Canada and, if not, what parks are excepted?

Mr. Laing: 1. In accordance with the principles of the National Parks Act and national parks purpose, most of the land area in each park is to be retained in a wilderness and near wilderness state. The act provides that these unique natural areas shall be preserved, yet at the same time they are to be made available for the use, benefit and enjoyment of the public. Reconciling these two objectives and solving the problem of a proper balance between character and intensity of public activity and the ability of various regions in a park to support such use without impairment of the natural resource is the crux of the planning objective.

The solution to this problem and the basis of long range planning is the zoning concept. The purpose of zoning is to give order to planning and development by delineating the most appropriate use for each area and setting forth policy objectives for each zone which will ensure protection of the primary

resource yet provide appropriate facilities for public activity, understanding and enjoyment of the attractions.

2. A preliminary zoning plan has been worked out for the four contiguous mountain parks, Banff, Jasper, Yoho and Kootenay, showing ten wilderness zones encompassing about one third of the area. The remaining two thirds are classed as semi-wilderness. Present and planned facilities associated with access, accommodation and heavy use are contained within the semi-wilderness zones. While the preliminary zoning plan requires further development, current planning is proceeding on the basis of these principles.

3. Yes, as far as it may be reasonably applicable to each park, considered individually. In the smaller parks, large wilderness zones will not be possible, but even these parks afford scope for setting apart natural areas managed and used for public enjoyment in much the same manner as the wilderness zones in the larger national parks.

*TEMPORARY POST OFFICE EMPLOYEES—PAY RATES

Question No. 1,848—**Mr. Knowles:**

1. What authority set the rates of pay for temporary or casual employees of the Post Office Department for the 1963 Christmas period?

2. Was any reference made to the Department of Labour to determine whether these rates were fair? If so, what was the reply of the Department of Labour?

Mr. McWilliam: 1. The governor in council set the rates on recommendation of civil service commission in accordance with section 10 of Civil Service Act.

2. Not by Post Office Department.

QUESTIONS PASSED AS ORDERS FOR RETURNS

POST OFFICE DEPARTMENT REORGANIZATION

Question No. 1,585—**Mr. Douglas:**

1. Is there a reorganization recently or currently underway in the Post Office Department and, if so (a) how many positions have been (i) downgraded (ii) upgraded (b) how many employees were involved in each case?

2. Since January 1, 1959, how many new positions have been created in (a) administration generally (b) the methods and standards branch in the time and motion study and work measurement field?

3. Since January 1, 1959, what increase, if any, has there been in operating staff (a) full time (b) part time?

4. Since January 1, 1959, what increase, if any, has there been in (a) first class mail (b) second class mail (c) third class mail (d) fourth class mail?

5. Has a time and motion study and work measurement program been carried out in the Post Office Department and, if so (a) what savings, if any, resulted from this survey in the 1959-60 fiscal year (b) what is the detailed breakdown, clearly indicating how the savings were computed (c) are these net savings from which have been subtracted the total cost of the program including whatever additional supervisory positions that may have been added?

Return tabled.

CIVIL SERVICE COMMISSION COMPETITION 63-654

Question No. 1,604—**Mr. Fisher:**

1. What was the gist of civil service commission information circular No. 63-654—management analysts—government departments, Ottawa?

2. How many selection board meetings have been held to interview applicants for this competition and (a) who were the persons on each one of these selection boards (b) what departments did they represent (c) what was the grade and salary paid each member of the selection boards (d) what was the date and location for each meeting of selection boards and locations?

3. Did the civil service commission or any other government department send a representative or representatives to Timmins, Toronto, Montreal and St. John's to request applicants to make applications for positions in this competition and, if so (a) what was the name of the department (b) the name and title of representative (c) the length of service with the department (d) the length of service with the civil service commission (e) his present salary range, and (f) the total expenses incurred by each representative to visit the centres referred to?

4. How many selection boards went to Timmins to interview applicants in this competition and what was the name, title, and salary of each member of the particular selection boards, also from which department was each drawn?

5. Was there any disciplinary action taken against any member or members of selection boards who went to Timmins and, if so (a) what was the nature of the disciplinary action taken (b) what was the name and title of each officer disciplined, and the department each represented (c) was any member of the selection board not disciplined and what was his department?

6. (a) Did applicants in this competition from Timmins provide members of the selection board or boards with refreshments or entertainment (b) was preference given in the recommendation of personnel who are presently in government departments or the civil service commission by the selection boards?

7. Has there been an eligible list established as a result of this competition?

8. What is the name and salary of each applicant appointed from outside the federal public service as a result of this competition?

9. (a) What is the name of department or departments to which each applicant from this competition has been assigned (b) what is the experience as management analysts of each candidate selected by name (c) what is the previous experience and qualifications of each candidate selected in this competition (degree from university, etc.)?

10. What is the relationship between experience in mining management analysts and the duties of management analysts in federal government departments?

Return tabled.

CUSTOMS OFFICES, COMPTON-FRONTENAC CONSTITUENCY

Question No. 1,678—**Mr. Latulippe:**

1. What were the expenses incurred by the federal government customs offices in Compton-Frontenac during the past three years?

Inquiries of the Ministry

2. What expenses were incurred for equipment?
3. Where were purchases made and what was the amount in each case?
4. Were tenders called for each purchase?
5. What expenses were incurred for repairs?
6. Where was the equipment and parts for such repairs purchased and what was the cost in each case?
7. Were tenders called for each one of those purchases?
8. Were there any transfers, changes, dismissals or promotions in the staff of the customs offices located in Compton-Frontenac and, if so, what were the reasons in each case?
9. Does the government intend to open new customs offices in Compton-Frontenac and, if so, when, where, for what reasons?

Return tabled.

IMPORTS AND EXPORTS, COMMON MARKET

Question No. 1,794—**Mr. Latulippe:**

1. What were the main imports from, and exports to the common market countries in the last five years and what was the value of such imports and exports?
2. Are there any negotiations under way at the present time with these countries concerning the import or export of products?
3. Has the Department of Trade and Commerce permanent representatives with the authorities of the common market and, if so, who are the representatives and what are their duties?

Return tabled.

BUSINESS OF THE HOUSE

REQUEST FOR ANSWERS TO QUESTIONS AND RETURNS TO ORDERS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Before the orders of the day are called there are one or two references I should like to make to questions that are still on the order paper, some of which have been there for a considerable period of time and to which we are most anxious to have replies. I am not going into particulars on this occasion except to say that question No. 1,374, by the hon. member for Acadia, asks how many leaders of parties are at present receiving the $4,000 provided for in Bill No. C-91 as assented to August 2, 1963. This question has been on the order paper since October 16. Then there is starred question No. 1,442 asked by the hon. member for Cumberland, which is along similar lines, and we are very anxious to obtain answers to these questions so the house will not be in the position of the hon. member for Red Deer the other day when he started to make a statement about something that had occurred, and to which the house and posterity will never have an answer.

I am sure these two questions could be answered. I am not going into particulars on the other questions to which I might make reference, but I will do that on a later occasion unless the government sees fit, by tomorrow or the day after, to bring down answers to these questions. The fact that some of them are starred questions and have stood on the order paper for quite a while is not in keeping with that degree of co-operation desired in the house.

The other day the Secretary of State told us about the number of orders that had been returned and those that were still outstanding, and he said this was some kind of a record. I do not want to go into that, but I do point out there is a large number of interesting returns outstanding, and I hope that within the next 24 hours they might be brought down. We are very anxious to receive some of the information sought. For instance, there is correspondence respecting the world fair, which I do not think has been brought down. At least it had not as of December 10, even though the order was passed on July 3. Then the Minister of Finance, who I am sure is desirous at all times of giving the house full information, has not brought in the return relating to sales tax on building material and machinery, which was also ordered on July 3.

A further return which has not been made relates to C.N.R. financing, and the hon. member for Acadia was the mover of a motion seeking correspondence regarding rail line abandonment, which was made an order for return on June 19. I shall not go into further particulars, but we are very anxious to have these questions answered and these orders for returns brought down.

We are endeavouring to co-operate in every way, but we ask that the government on its part bring in the answers to these questions and the returns that were ordered by the house, some of them months ago, relating to matters which should not have required such a delay in giving the replies.

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I think the right hon. gentleman is perfectly correct that every effort should be made by every government at all times to supply the house with all the information required for its services, and I will endeavour to impress upon my colleagues, and through them all departments, the desirability of making every effort to facilitate business between now and the time the session terminates. Of course these returns go on for the life of the parliament, and even if there should be a prorogation this week they would still be an obligation on the government.

So far as the questions are concerned, I believe there has never been a session of parliament in the history of Canada when so many questions have been answered and asked, but I will endeavour to do everything I can to see that as many more as possible

are answered, even the most recent ones including, for example, question No. 1,890.

UNITED NATIONS

COMMONWEALTH SEAT ON SECURITY COUNCIL

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Prime Minister. This morning's press carries a report from the United Nations saying that under heavy pressure Canada has given up on an attempt to preserve a formal commonwealth role in the United Nations. It also says this has come as a result of the desire on the part of certain nations to eliminate the commonwealth seat in reorganizing the 11 nation security council. Can the Prime Minister tell us whether the commonwealth is going to have a seat in the reorganized council, and what position the Canadian government proposes to take?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I will be glad to give my hon. friend a reply to that question. The debate in the United Nations assembly on the question of enlargement and equitable representation in United Nations councils is to end tomorrow, and when the Secretary of State for External Affairs returns he may wish to report more fully on the results of that debate.

Meanwhile I can say that the question of future representation on United Nations councils is not likely to be solved at this session of the assembly because the Soviet delegation indicated that it would not ratify the amendments to the charter which would permit enlargement of those councils, especially the security council, and that kind of enlargement would go a long way to ensure that the commonwealth would continue to be represented by commonwealth members on the council.

The Soviet delegation links this question to the representation of China, in what I consider to be an unjustifiable stand, and resolutions adopted by the general assembly may not succeed in providing the necessary additional seats for new members from Africa and Asia. In addition, at the present session 55 African-Asian delegations proposed an enlargement of the general committee of the assembly—if you like, the steering committee—from 21 to 24 members, but omitted reference to the commonwealth in that enlargement. As a result of that omission Australia, New Zealand and Canada decided to table an amendment in order to restore this reference to the commonwealth.

I should add, Mr. Speaker, that considerable pressure was brought to bear on the Canadian, Australian and New Zealand delegations to withdraw this amendment, but that pressure was resisted. However, on Saturday last two African members of the commonwealth whose interests were designed to be maintained and protected by this amendment, Ghana and Nigeria, as well as other delegations, appealed during the debate for the withdrawal of this amendment, assuring the movers of the amendment both in the committee and behind the scenes that the commonwealth position would remain unchanged and that the commonwealth would continue to be represented on the general committee.

Under these circumstances Australia, New Zealand and Canada decided not to press the amendment to a vote, which I think was a very wise decision; because if there had been a vote on the resolution to protect the interests of the commonwealth, the commonwealth delegations themselves would have been divided on that vote.

Mr. Douglas: A supplementary question, Mr. Speaker. Do I take it that the Canadian representatives at the United Nations will continue to press for the commonwealth having a role on the reorganized security council and general committee?

Mr. Pearson: Yes, Mr. Speaker, we will.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, as I recall it, on November 28 when the hon. member for Oxford (Mr. Nesbitt) asked the Secretary of State for External Affairs a question on this matter, the Secretary of State for External Affairs stated that he did not expect there was any probability of the commonwealth losing its seat under the gentlemen's agreement that I think has been in effect for some 17 years.

I would ask the Prime Minister to say whether Australia and New Zealand suggested to Canada that this amendment should be withdrawn, or whether the suggestion came from the Canadian representative, the chairman of the Canadian delegation, the hon. member for Antigonish-Guysborough (Mr. Stewart).

Mr. Pearson: To the best of my information and knowledge, Mr. Speaker, the decision not to proceed with this amendment was made after consultation among the Australian, New Zealand, Canadian and other commonwealth delegations, Ghana and Nigeria for instance, who would not have been able to support it if it had been proceeded with.

Mr. H. A. Olson (Medicine Hat): A supplementary question, Mr. Speaker. Into which of the proposed geographical areas does Canada fit?

Mr. Pearson: Mr. Speaker, that question has not arisen and will not arise as long as there

is an understanding that there should be a commonwealth seat on these councils. If that is abandoned—and I hope it will not be abandoned; we will do our best to prevent it being abandoned—I do not know into what geographical area we will fit.

CANADIAN CONTRIBUTION TO COST OF OPERATIONS IN MIDDLE EAST

On the orders of the day:

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, on Saturday morning the right hon. Leader of the Opposition inquired about arrangements for financing the United Nations emergency force in the Middle East. The day previous the budgetary committee of the United Nations had approved certain proposals for financing this force for 1964. I have the details here and it might save time if I put them on *Hansard* rather than read them into the record, if that is agreeable.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

[*Editor's Note: Text of the document above referred to is as follows:*]

On Saturday morning the Leader of the Opposition inquired about arrangements for financing the United Nations emergency force in the Middle East. He referred to the position of the Canadian delegation as regards a proposal then before the general assembly.

On Friday afternoon the fifth committee of the assembly approved (56-10 Soviet bloc —13) a resolution co-sponsored by Canada, three Scandinavian countries, India and Nigeria, which contained an agreed formula for financing UNEF during 1964. The formula provides that the 1964 costs of UNEF estimated at $17,750,000 will be shared as follows: the first $2 million will be assessed at the regular budget rate; the remainder will also be assessed at this rate, except that the less developed countries will be allowed a 57.5 per cent reduction in their shares. For the past several years, it has been recognized that the less developed countries, having a limited capacity to contribute toward the costs of peace keeping operations involving heavy expenditures, should be allowed reductions in their shares. The gap created by granting these reductions is filled by voluntary contributions from the developed states.

These financing arrangements apply as regards the less-developed countries and are not related to the problem arising from the refusal of the Soviet bloc and some other developed countries to pay their share of the costs. These countries are assessed at the regular scale and their arrears of payment have been accumulating.

[Mr. Pearson.]

At the fourth special session of the assembly last June, the formula for financing both UNEF and ONUC allowed 55 per cent reductions to the less developed countries. The Canadian delegation at the current session was instructed to urge the readoption of the June formula and, in fact, it was adopted for the Congo force. In relation to UNEF, however, the less developed countries pressed for a slightly larger reduction. The voluntary contribution expected of Canada to fill the current gap has not been finally determined but it is estimated to be about $80,000.

Because of the importance which Canada attaches to the role played by UNEF in the Middle East, the government considered it desirable to support the modified formula. In agreeing once more to an ad hoc arrangement, the government has continued to insist that financing arrangements for peace keeping operations must be placed on a long term basis incorporating the principle of collective financial responsibility.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, the Prime Minister was kind enough to give me this statement in advance. I would now like to ask him what the Canadian government is doing in the United Nations to assure that the nations that are in default in their contributions will be called upon to pay them. At present a few nations including Canada, are willing to assume more than their share, but I would like to ask are the provisions of the United Nations charter to be flagrantly disregarded without any action being taken against the defaulters?

Mr. Pearson: I am sure the right hon. gentleman knows the steps that have been taken in recent years to do what can be done to ensure that all members of the United Nations discharge their financial responsibilities. The matter is under consideration at this assembly. I will have to look into the discussion and make a report to the right hon. gentleman later in the week.

ARTS, LETTERS AND SCIENCES

ROYAL COMMISSION—REPORTED REMARK BY CHAIRMAN RESPECTING JURISDICTION

On the orders of the day:

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, I wish to direct a question to the Prime Minister. Is he aware of the statement made in Quebec city last Saturday by the co-chairman of the royal commission on bilingualism and biculturalism, Mr. Andre Laurendeau, to the effect that the

commission's terms of reference exceed the federal jurisdiction, and does he agree with it?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, I am not aware of that statement. I will be glad to look into it.

[*Translation*]

Mr. Caouette: Mr. Speaker, I wish to ask the Prime Minister a supplementary question. If Mr. Laurendeau's statement is justified, will the provincial governments be able, within their jurisdiction, to prevent the commission from inquiring into fields which come under the provinces or the school boards?

[*Text*]

Mr. Pearson: I would not like to comment on that until I have seen the statement.

ROYAL COMMISSION INTERIM REPORT—ETHNIC GROUP REPRESENTATION

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): I should like to direct a question to the Prime Minister with reference to the commission on biculturalism and bilingualism. Has the Prime Minister received any report on the progress of the commission and, if so, does he not now feel that the membership of the commission should be increased by representatives of other ethnic groups as I have suggested to him on a number of occasions?

Right Hon. L. B. Pearson (Prime Minister): It is not anticipated that we shall be receiving reports from time to time on the work of the commission, and this is in accordance with the normal practice with regard to royal commissions. We did receive a report some time ago from the commission, though I should like to check this, on how it proposes to organize its work. I will see if I can get a copy for the hon. member. But we do not anticipate receiving progress reports.

As far as the second part of the question is concerned, consideration was given to enlarging the membership of the commission but it was decided that this would not be advisable, at least at this time.

TRANS-CANADA AIR LINES

WINNIPEG MAINTENANCE BASE—INQUIRY AS TO MEETING WITH MANITOBA DELEGATION

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 now tell the house the time and place of the meeting tomorrow between a delegation from Manitoba and the federal government with regard to the T.C.A. overhaul and maintenance base at Winnipeg? Can he also tell us whether he will be present, and whether it will now be possible for other hon. members from Manitoba to be in attendance also?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I understand the meeting is to take place at ten o'clock tomorrow in the west block, room 213. I expect to be present, together with my colleagues, and as I understand there is no objection by our visitors from Manitoba to the attendance of other members of parliament, they will be very welcome.

Mr. Knowles: Does the Prime Minister not agree, as a matter of fact, that instead of there being no objection, the Manitoba delegation would like us to be there?

Mr. Pearson: We would like them to be there too, Mr. Speaker.

Mr. Knowles: We shall be there.

WORLD FAIR

COST OF REMEDIAL WORK TO PROTECT SITE

On the orders of the day:

Hon. Leon Balcer (Three Rivers): I should like to direct this question either to the Minister of Transport or to the Minister of Public Works; I am not sure which of the two is the responsible minister in this case. What is the estimated cost of the remedial work to be done in the St. Lawrence river by the federal government in order to protect the world fair site in Montreal?

Mr. Speaker: This question, it seems to me, should be placed on the order paper.

REQUEST FOR REMOVAL OF TAX ON BUILDING MATERIAL

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 Prime Minister intend to implement the recommendations contained in the brief which the Montreal junior chamber of commerce submitted to the government last week, concerning the removal of the 11 per cent sales tax on building materials used for the world fair?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I regret very much that so many

of my hon. friend's questions are in a form that they cannot be answered on the orders of the day.

TRADE

VANCOUVER—REPORTED DIFFICULTIES IN FLOUR SHIPMENTS TO RUSSIA

On the orders of the day:

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, I should like to ask a question of the Minister of Trade and Commerce. Has the minister heard any reports about difficulties in the shipping of flour from Vancouver to Russia. If so, what can he report to the house on this matter?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I have not heard these reports, but I will inquire and let the hon. member have a reply as soon as possible.

LUMBER—CANADIAN PROTESTS RESPECTING U.S. ACTION

On the orders of the day:

Mr. Bert Leboe (Cariboo): I should like to direct a question to the Minister of Forestry. Can the minister give the house a report on the situation with regard to the bill before the United States congress pertaining to the stamping of lumber?

Hon. J. R. Nicholson (Minister of Forestry): I cannot add anything to what was said by my colleague the Minister of Trade and Commerce on Friday last on this subject, unless some news has come in within the last hour or so, in which case I would ask my colleague to supplement what I have to say. We believe that the bill which was approved by the Senate, particularly that aspect of it which deals with sawn lumber, is contrary to the obligations which the United States assumed under the GATT agreement. Representations to this effect have been made at the highest level in the United States, and we are still awaiting a report.

FOREST PRODUCTS—CANADIAN PREPARATIONS TO MEET WORLD DEMAND

On the orders of the day:

Hon. J. R. Nicholson (Minister of Forestry): May I take this opportunity to deal with a question which was asked on Thursday last by the hon. member for Dorchester. The hon. member referred on that date to some remarks I had made in San Francisco the previous day. He asked what the federal government was doing by way of helping the forest industries to take care of an expected increase in demand. That question covers a wide field, and to answer it would take some considerable time. However, I have prepared an answer for the information of the hon. member and of others in the house, and I would be glad to file it. It is about two pages in length.

Mr. Speaker: Does the house give consent?

Some hon. Members: Agreed.

[*Editor's note: Text of document referred to above is as follows:*]

As the hon. member for Dorchester and the other members of the house are aware, the responsibility for managing the forest industries of the ten provinces and for the sale of forest products generally rests with the industries and the provinces. The responsibility of the federal Department of Forestry is largely in the research field. In so far as my department is concerned, its methods of assisting the forest industries fall into three general categories:

1. We assist the forest industries directly through forest products research in our two well equipped and well staffed laboratories in Ottawa and Vancouver. The function of the two laboratories is to increase the industries' competitive ability through better wood products and the reduction and profitable utilization of primary waste materials.

2. The department is currently reviewing its role as a co-ordinator of special forest economics information in an effort to become a more effective and useful partner with industry in this vital area. With its special understanding of the forest industries, the department has embarked on a program of supplying forest economic data to industry that will be of direct and immediate benefit in such matters as increased plant efficiency, marketing research and analyses to provide new uses for wood, the development and exploitation of new markets, and the expansion of existing markets.

3. We also assist the provinces in securing and maintaining the resource itself through—

(a) Research on the better production and management of trees and their protection from fire, insects and diseases;

(b) Co-operative federal-provincial forestry agreements designed to improve access into the forests, fire suppression effectiveness, reforestation activities and various other projects proposed by the provinces which would assist in the preservation of the resource and its optimum utilization by industry. Millions of federal funds have been allocated to these activities over the last decade.

A specific recent example of practical assistance to industry is the $3 million being made available for the expansion of the

research facilities of the pulp and paper research institute of Canada, at Pointe Claire, Quebec.

Another example of our program for greater assistance is the construction at Victoria, B.C., at a cost of nearly $3,000,000 more, of what will be one of the finest forest research laboratories on the continent. This unit is intended to provide constant and up to date practical research information on forest protection and management to that province's great forest industries, as is being done through other departmental laboratories and establishments right across Canada.

FINANCE

POSSIBLE FURTHER LEGISLATION RESPECTING BUDGET PROPOSALS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I will direct this question to the Prime Minister. No doubt he, as well as other members, has read of the continuing adverse reaction of business circles to the budget proposals, and also of the effect upon American investment which is shown in the recent dominion bureau of statistics returns. Is there any probability of the government bringing in, before this session ends, legislation to end the present punitive and restrictive policies which follow the acceptance of the budget by this house?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, without accepting for a moment the qualifying adjectives of my hon. friend, there is no intention of bringing in legislation during the remainder of this session on the matter to which he has referred.

Mr. Diefenbaker: Mr. Speaker, I cannot go as far ahead as the next budget, but is it intended, before the next budget comes in, to make a change in this regard in order to preserve foreign investment in Canada? Would the Prime Minister reply to that?

Mr. Pearson: Surely, Mr. Speaker, the right hon. gentleman knows that these matters are dealt with as matters of government policy and are not dealt with on orders of the day. This is true especially with questions concerning the next budget.

[*Later:*]

Hon. George C. Nowlan (Digby-Annapolis-Kings): I have a question for the Minister of Finance, one which I deferred asking him the other day in his unavoidable absence. In view of the answer given by the Prime Minister to the Leader of the Opposition regarding investment curbs, I wonder if the Minister of Finance is now in a position to comment on the statement made by the finance minister of Quebec to the effect that these curbs which have been imposed are harmful and should be removed at once.

Hon. Walter L. Gordon (Minister of Finance): I have no wish to enter into controversy, now, either with the hon. member for Digby-Annapolis-Kings or with the gentleman to whom he has referred.

WATER RESOURCES

CONFERENCE TO CONSIDER REQUIREMENTS OF PRAIRIE PROVINCES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Northern Affairs and National Resources. Has the minister received an invitation from Premier Lloyd of Saskatchewan to attend the conference of provincial ministers from Alberta, Saskatchewan and Manitoba to be held in Regina on Friday, December 20, to discuss the future water requirements of the prairie provinces. If so, has he accepted this invitation?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, the conference that is to be held in Regina embracing officials of the three prairie provinces has to do with the studies on the Nelson-South Saskatchewan rivers. We have deemed it sufficiently important that it is my intention to show up, and I am going to be accompanied by my colleague the Minister of Agriculture. I am also taking my deputy, Mr. Cote, and Mr. Clark of the water resources branch.

Hon. Alvin Hamilton (Qu'Appelle): I wonder if I might address a supplementary question to the Minister of Agriculture which bears on this same question. Will the Minister of Agriculture be taking along the director of P.F.R.A. to this meeting?

Hon. Harry W. Hays (Minister of Agriculture): We will be taking along the chairman of the prairie water board.

COMBINES

REQUEST FOR SETTING UP OF MARKETING ADVISORY COUNCIL

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I should like to ask the Minister of Justice a question related to one I asked on July 30 last, as to whether the government was prepared to accede to the request by the distributive trades advisory council to set up a marketing advisory council and to repeal section 34 of the Combines Investigation Act.

At that time the minister said the matter was under consideration. I wonder if the minister can tell the house whether consideration has been given and whether a policy has been determined with respect to it.

Hon. Lionel Chevrier (Minister of Justice): Perhaps the hon. gentleman would allow me to answer that question tomorrow.

AGRICULTURE

APPOINTMENT OF MINISTER FOR EASTERN CANADA

On the orders of the day:

Mr. Charles Lamb (Victoria, Ont.): I should like to address a question to the Prime Minister on a matter which is of great concern to us in eastern Canada. Has the right hon. gentleman given further consideration to the appointment of a minister of agriculture to represent eastern Canada, as I understand was promised during the election campaign?

Right Hon. L. B. Pearson (Prime Minister): This matter is still under consideration, Mr. Speaker.

SUGAR

SALES BY B.C. REFINING COMPANY AT LESS THAN WORLD PRICE

On the orders of the day:

Mr. Grant Deachman (Vancouver Quadra): I have a question for the Minister of Trade and Commerce. Can the hon. gentleman say whether the British Columbia Sugar Refining Company sold sugar substantially below the world price and the eastern Canada price throughout the sugar crisis and, in fact, used its inventories to peg the price of sugar in western Canada—

Some hon. Members: Order.

Mr. Speaker: Order. That question is certainly one for the order paper.

NATIONAL DEFENCE

NATO—REPORTED STATEMENT BY SECRETARY GENERAL RESPECTING CANADIAN BOMBER BASES

On the orders of the day:

Hon. Paul Martineau (Pontiac-Temiscamingue): I wish to address a question to the Prime Minister. Has the Prime Minister taken cognizance of a statement reported to have been made over the week end by Mr. Dirk Stikker, secretary general of NATO, to the effect that it might be wise to base the Canadian bombers somewhere else if President de Gaulle refuses to allow their nuclear warheads to be stored on French soil?

[Mr. Starr.]

Right Hon. L. B. Pearson (Prime Minister): Yes, I heard that statement over television and I have also read it in the press. We shall be receiving a report on this statement, as well as on other matters, from my colleague the Minister of National Defence who is at present in France.

Mr. Martineau: Has the Prime Minister himself any comment to make on this statement?

Mr. Pearson: No, except to say that the secretary general's statement was very guarded. He simply said that in certain circumstances it might be desirable in the future for these squadrons to be moved from France to Germany.

NUCLEAR WEAPONS—INQUIRY AS TO STORAGE ON CANADIAN SOIL

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I would like to address a question to the Prime Minister. In view of the statement by the Minister of National Defence on November 20 in reference to nuclear weapons, I wonder if the Prime Minister has now been advised whether there are any nuclear weapons in any form stored on Canadian soil.

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, I have not been advised to that effect.

Mr. Woolliams: As a supplementary question, what negotiations are the Prime Minister and the government engaging in to negotiate Canada out of nuclear weapons?

Mr. Pearson: That certainly is not a question to be answered on orders of the day.

SUGGESTED REDUCTION IN ALLOWANCES OF MILITARY ATTACHES

On the orders of the day:

[*Translation*]

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, I would like to direct a question to the Minister of National Defence or, in his absence, to the associate minister. Under his expenses reducing program, is it the intention of the minister to decrease the allowances granted the military attaches in our embassies who, on top of their salaries, have received an average of $8,600 for entertainment and other social expenses?

[*Text*]

Mr. Speaker: Order. That is a question for the order paper.

NATO—STATEMENT ON GROUNDING OF CF-100 SQUADRONS

On the orders of the day:

Hon. Lucien Cardin (Associate Minister of National Defence): Mr. Speaker, on Saturday last the hon. member for Cumberland (Mr. Coates) asked a question concerning the grounding of CF-100 aircraft. I am now in a position to answer it.

An investigation which was carried out subsequent to a recent accident involving a CF-100 aircraft revealed that the unsuccessful attempts by both crew members to eject were caused by a technical malfunction of the ejection seats. Similar problems were discovered in other CF-100 ejection seats. Consequently all CF-100 aircraft were grounded pending the successful conclusion of the investigation. At this time modifications to correct the malfunction have been designed and are in the process of being applied. It is expected that these modifications will be implemented and the CF-100 aircraft will commence flying within two days.

SPORTS

REQUEST FOR GRANT FOR 1966 QUEBEC FESTIVAL

On the orders of the day:

[*Translation*]

Mr. Auguste Choquette (Lotbiniere): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. Following an excellent recommendation made by the national council on fitness and amateur sport, does the minister intend to make the $500,000 grant requested by the committee on interprovincial winter games?

[*Text*]

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): I thank the hon. member for having given me notice of this question. On the advice of the national advisory council on fitness and amateur sport, the Canadian sports federation was asked to carry out a study of the feasibility and desirability of holding a Canadian sports festival. As a result of this study, a recommendation, which has been endorsed by the national advisory council, was made to the federal government for the holding of a winter games festival in Quebec in 1966. A group in Quebec city is now working on this project and it is hoped that a successful games festival will result.

In projects of this kind the federal government ordinarily makes a grant to cover a proportion of the costs, subject to matching. If Quebec wished to hold the games, the proportion of federal backing would be subject to negotiation.

[*Translation*]

Mr. Choquette: Mr. Speaker, does the minister intend to announce soon changes affecting the membership of the national council on fitness and amateur sport?

[*Text*]

Miss LaMarsh: The 30 man national advisory council on fitness and amateur sport was appointed in January, 1962. Fifteen members were appointed for a three year period and 15 for two years, which appointments expire in January, 1964. Whether appointments were for a two or three year term was decided on an alphabetical basis. The question of appointments to the council is now under consideration.

HOUSE OF COMMONS

INQUIRY AS TO SALARY INCREASES FOR INTERPRETERS

On the orders of the day:

Mr. J. E. Lloyd (Halifax): I have a question for the Secretary of State. Will there be a Christmas present for the interpreters? Oh, I see the Secretary of State is out. I will put the question anyway; perhaps someone else will answer. In other words, does the minister expect a report from the civil service commission concerning the pay status of interpreters and a consequent betterment of conditions in this branch of the service in this house?

Mr. Donald MacInnis (Cape Breton South): A supplementary question to the Prime Minister. Now that the government is moving to increase the pay of the deputy ministers, what plans does the right hon. gentleman have in mind for increasing the pay of the civil servants in the lower categories?

Right Hon. L. B. Pearson (Prime Minister): Steps were taken to that end before the salaries of the deputy ministers were dealt with.

FISHERIES

VANCOUVER—CONTRIBUTION TO COST OF AQUARIUM BUILDING

On the orders of the day:

Mr. Arnold Webster (Vancouver-Kingsway): I have a question for the Minister of Fisheries. Does the minister intend to honour a commitment made by the last government to pay a third of the cost of an addition to the aquarium building in Vancouver?

Hon. H. J. Robichaud (Minister of Fisheries): I am pleased to advise the hon. member that not only does the present government intend to honour the commitment made by the last government to pay one third of the

cost of an addition to the aquarium building in Vancouver, but treasury board has already approved an amount of $250,000, subject to equal contributions being made by the city of Vancouver and the province of British Columbia. It is understood, of course, that parliamentary approval will have to be received for expenditure of this amount, as of other items in the estimates.

DOMINION-PROVINCIAL RELATIONS

PROVINCIAL PARTICIPATION IN DEVELOPMENT OF FEDERAL POLICIES

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether the federal government gave assurances to all or any of the provinces that their advice will be sought before federal decisions are reached affecting fiscal, monetary or tariff policies, all matters within the federal jurisdiction.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, no such assurances were given.

Mr. Diefenbaker: Then, Mr. Speaker, I should like to direct a question to the Minister of Finance. The premier of Quebec on "Inquiry" made this statement:

> As far as that is concerned, I am satisfied with the reply, obtained from Mr. Gordon. It was agreed that there would be consultation and exchange of information on fiscal policies, monetary policies and even tariff policies.

Is that statement correct?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, on several occasions I have said that the government would welcome suggestions or proposals on all aspects of policy from any interested people. During the course of the recent federal-provincial conference there was a committee of the conference established to discuss economic policy. We met all day on it. I would hope there will be similar discussions each year if this is the wish of the provinces. However, I made it perfectly clear at the time and I should like to repeat now that obviously final decisions in the areas of fiscal policy, monetary policy or tariff policy are the responsibility of the federal government and the federal government only.

Mr. Diefenbaker: A supplementary question. I ask the Minister of Finance this. Did he in reply to the premier of Quebec agree that there would be consultation and exchange of information on fiscal policies, monetary policies and even tariff policies, as asked for by the premier of Quebec on page 38 of his brief?

[Mr. Robichaud.]

Mr. Gordon: Mr. Speaker, I can add nothing to what I have already said, which seems to me a perfectly clear answer to the question asked.

Mr. Diefenbaker: It has all the clarity of evasion.

Some hon. Members: Order.

Mr. Diefenbaker: Through you, Mr. Speaker, I ask the minister did he agree with the premier of Quebec that before any fiscal, monetary or tariff policies were proceeded with by the government there would be consultation with the provinces? Surely he can answer yes or no.

Mr. Gordon: With great respect to the Leader of the Opposition—

Mr. Diefenbaker: Yes or no?

Mr. Gordon: —it is my responsibility to answer questions to the best of my ability but not to be subjected to cross-examination.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: The old idea of divine right.

Hon. Michael Starr (Ontario): Mr. Speaker, I should like to ask the Minister of Finance a supplementary question. In view of what he said in his reply to the Leader of the Opposition, is the procedure followed now as enunciated by him any different from what it has been in the past?

Mr. Gordon: I would think very different, Mr. Speaker.

Mr. Starr: In what way?

HEALTH AND WELFARE

RETARDED CHILDREN—REQUEST OF ASSOCIATION FOR GRANT

On the orders of the day:

Mr. K. H. More (Regina City): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. Did the minister receive a brief from the Canadian association for retarded children, and what consideration and reply has she given to their request for a nominal grant of $62,000 for their work?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Mr. Speaker, I did in fact receive such a brief. I have received a number of excellent representations from representatives of the retarded children, as well as from about seven members on this side of the house, for an increase in the grant from $5,000 to $62,000. I think the house will agree at once that this would be a very substantial increase in one of our

health grants, well above anything heretofore given to a similar organization.

I should like to say that members of the government have given a great deal of thought to the matter of retardation, and letters have gone out to the effect that during the calendar year 1964 a national conference on the subject of retardation may be held with the assistance of all the provinces and all other interested parties in order that a Canada-wide program may be worked out. The association has been advised of the probability of such a meeting and the likelihood that a recommendation will be made to defer until another year approval of anything along the lines of the request that has been made.

Nothwithstanding that, I am very happy to inform the hon. member and those on this side of the house who have expressed such interest that a recommendation has been made to treble the present amount.

Mr. More: A supplementary question. In view of the fact that mental retardation touches the lives of approximately two million Canadians, does the minister not think that a request for a grant of $62,000 for this purpose is reasonable, having regard to the fact that $600,000 was recently approved to deal with problems arising from cigarette smoking?

Miss LaMarsh: Mr. Speaker, I draw my hon. friend's attention to the fact that the $600,000 to be spent covers a five year period, and that it is a special amount which was recommended as the result of a considerable amount of study and a conference which brought together all interested individuals. I call my hon. friend's attention to the fact that such a special grant for retarded children might well result from a special conference. Nothing I have said should be taken as indicating that the government is not alive to the problem, but rather that the size of the grant requested for this specific program could not be met out of the appropriations for next year.

CANADIAN BROADCASTING CORPORATION

TORONTO—CONVERSION OF STATION CJBC TO FRENCH LANGUAGE

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I wish to direct a question to the Secretary of State arising out of some remarks he made on the orders of the day on Friday. In view of the fact that the 1961 census shows that in Toronto there are 1,647 persons out of a population of 672,000 who speak French only, and in view of the need to meet the legitimate rights of these people to have radio programming in their own language, I wonder whether the minister would ask the C.B.C. to investigate the cost of a relay station of the Radio Canada network for this group as opposed to the conversion of station CJBC from an English speaking to a French speaking station.

Hon. J. W. Pickersgill (Secretary of State): I will be very glad to draw the hon. gentleman's question to the attention of the C.B.C., but he could have done it equally well himself, of course.

Mr. Scott: I think it might be a little more effective coming from the minister.

Mr. Pickersgill: I doubt it.

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I should like to put a question supplementary to the one that has just been asked by the hon. member for Danforth (Mr. Scott). Would the Secretary of State have the same investigation undertaken as regards the English broadcasting stations in the cities of Quebec and Montreal, so as to have a comparison made afterwards between the population and the number of English broadcasting stations operated in French cities?

[*Text*]

Mr. Pickersgill: I am sure the hon. gentleman's question will come to the attention of the C.B.C., even without my doing anything about it. However, I shall take great care that it does. I feel that the board of directors are well aware of all the statistics, and that in the discharge of their responsibilities, they must take all these into account. I believe we should remember that this task was given to the board of directors of the C.B.C.

INDUSTRY

HEAVY WATER—REQUEST FOR REPORT ON NEW PRODUCTION METHOD

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a question for the Minister of Industry, but as he is absent I will direct it to the Minister of Labour. Have the atomic energy commission scientists made known to the government any findings since the start of their investigation into the British American Oil Company process for the production of heavy water?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I understand that the Minister of Industry has indicated in the house that he will be receiving a report later today.

Inquiries of the Ministry

Mr. MacInnis: Would the Minister of Labour then indicate to the house why he was so optimistic in his remarks in Cape Breton over the week end?

Mr. MacEachen: Mr. Speaker, optimism is an attribute of this government.

Mr. Nowlan: It is the only attribute you have.

TRADE

WHEAT—FINDING OF GLASS IN SHIPMENTS TO RUSSIA

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Last week I asked the Minister of Transport what progress had been made in an investigation into the quantities of glass which were found in Canadian wheat shipped to the Soviet union. I urged the minister to make a statement as soon as possible in the interests of protecting the good name of Canadian wheat abroad. I wonder if the minister has that report.

Hon. G. J. McIlraith (Minister of Transport): Yes, Mr. Speaker. On Saturday last the hon. member asked me a question on this subject with particular reference to the published report of a speech made by the Montreal port manager, Mr. Beaudet. There have been earlier questions on the subject. I think there was one arising out of my statement of December 2, a question by the Leader of the Opposition and another question by the hon. member for Calgary North, as well as one or two others. My answer, therefore, will be a little longer than would otherwise be the case.

An intensive investigation was made into this matter following the receipt of formal notification from the Soviet authorities that glass or bottles had been found in seven vessels going to the U.S.S.R. Two of these vessels had loaded at Montreal, one at Baie Comeau, two at West Saint John, one at Quebec and one took on cargo at both Montreal and Halifax. These vessels loaded during the period from October 12 to November 8.

I have read the reports of Mr. Beaudet's speech and have also spoken to the officials of the department who were present and heard the speech. In its references to this subject it seemed to accurately describe the situation. Reference was made in the speech to the fact that possibly only one hold in each of the seven cargoes had been found to contain glass. This statement was based on a verbal communication in Moscow to the chief inspector of the board of grain commissioners, which suggested that the contaminated grain was merely a part of the cargo and not the entire quantity contained on the seven vessels involved.

The investigation to which I referred earlier was conducted by an interdepartmental group consisting of representatives of the Departments of Agriculture, Transport, Trade and Commerce, and the board of grain commissioners and the national harbours board. Glass was discovered also in four railway carloads recently shipped from water and inland points in Ontario to port elevators.

I have come to the conclusion that it would be extremely difficult if not impossible to determine at this time where and by what means the glass was introduced into the grain. I am of the opinion that the unfortunate incidents were the result of carelessness, perhaps arising in part out of the pressures involved in handling the very large movement. I consider therefore that our efforts now should be mainly concentrated on avoiding a recurrence.

In previous discussion in the house the question has been raised as to where responsibility lies in a matter of this kind. There is no one government agency with complete control or authority and, of course, commercial firms are also involved in the movement of grain. The board of grain commissioners, under the Minister of Agriculture, is responsible for the quality and condition of grain until it is discharged from a licensed elevator into an ocean carrier. The national harbours board, under the Minister of Transport, operates elevators which, like privately owned elevators, are covered by the regulations of the board of grain commissioners. Its responsibility ceases when the grain leaves its elevators. Any change in the quality or condition of grain, or responsibility for the introduction of extraneous material after loading on a vessel, rests with the commercial firms involved in the transactions. It is obvious, therefore, that a number of agencies and private interests are involved in grain handling.

I wish to refer now to steps which are being taken to avoid a recurrence. It must be recognized, first, that some government departments and agencies have staffs working in and around grain handling facilities and have some authority over bottle or glass material on government premises. The board of grain commissioners, the national harbours board and the departments of agriculture and transport have notified their staffs involved in grain handling that the government takes a very serious view of the matter, and that they are not permitted to have glass bottles in any areas where grain is handled. They have been informed what disciplinary action will be taken if employees are found responsible for causing extraneous material to enter grain handling or storage facilities or holds of ships. Additionally, steps are being taken

to prevent the removal of glass containers from canteens on property under government control where grain is handled.

I have also communicated with the commercial interests involved, namely the grain elevator operators, grain carriers, both water and land, shipping agents, stevedoring companies, maritime unions, independent port wardens and harbour commissioners, indicating the government's serious concern and pointing out the possible adverse effects on the economy. These people have been asked to take immediate steps to ensure that glass containers are not used in areas where grain is handled, and to advise the government of the action they are taking to ensure that no extraneous material is allowed to enter grain.

The board of grain commissioners is enacting a regulation, under the authority of the Canada Grain Act, making it an offence for any person wilfully or carelessly to cause or permit glass or other extraneous material to be introduced into or remain in grain, in any elevator or land carrier or in any vessel delivering grain to a destination in Canada.

As the minister to whom the responsibility for co-ordinating this matter has been given, I now appeal to everyone involved, both management and labour, government and private, to do everything possible to avoid careless or thoughtless actions which would damage the reputation of Canadian grain with serious consequent effects on our exports and on the economy as a whole. I am confident that the necessary co-operation will be forthcoming from all concerned. The high reputation and quality of Canadian grain are renowned throughout the world. I trust that with the measures now announced, and with the co-operation of all who are involved in the handling and movement of grain, Canada's record will be even better than in the past. I want to assure the house that this matter will be kept under close surveillance.

I must apologize to hon. members for taking a little longer than I would otherwise in answering this question, but I do believe the subject matter is of such importance to the grain trade and the economy of this country that I had a duty to answer the question fully.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I am sure the minister did not have to apologize for the length of his statement. It was an important one and, with unusual clarity, he placed the situation before us. I should like to ask him whether it is a fact, as reported in the press, that there were two shiploads of wheat in June or July in which glass was found, before this matter arose in connection with shipments to the U.S.S.R. If that be so, what investigation took place at that time? What action was taken in order to prevent the difficult position that arose recently to which he alluded?

Mr. McIlraith: Yes, Mr. Speaker, that is a fact, and it was referred to in my statement of December 2 in answer to a question by the Leader of the Opposition, as appears at page 5320 of *Hansard*.

Mr. Diefenbaker: What action was taken at that time?

Mr. McIlraith: At that time there was an investigation, through the board of grain commissioners and the harbour authorities only because the ships were identifiable as were the points at which they loaded. It was confined to that area. Now there has been an extensive investigation of the whole subject matter, with the results that I have indicated.

Mr. Douglas: I thank the minister for his very complete answer, because this is a very important question affecting the good reputation which Canadian wheat has abroad. I would like to direct a supplementary question to the Minister of Trade and Commerce, and ask him whether the Soviet union has filed any claim for reimbursement of money for the wheat alleged to have been contaminated.

Hon. Mitchell Sharp (Minister of Trade and Commerce): No, Mr. Speaker, no claims have been filed.

PUBLIC BUILDINGS

RESPONSIBILITY FOR RED ENSIGN BEING FLOWN UPSIDE DOWN

On the orders of the day:

Mr. C. S. Smallwood (Battle River-Camrose): Mr. Speaker, may I address a question to the Minister of Public Works. I would like to ask him who was responsible for the discourtesy and indignity to our official Canadian flag, the red ensign, which was flown upside down at the Prime Minister's residence and on two other buildings on Friday, December 13.

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, this was explained last week by the Prime Minister himself.

Mr. Smallwood: As a supplementary question, what steps are being taken to correct this situation and make sure it does not occur again?

POST OFFICE DEPARTMENT

FAILURE TO RE-EMPLOY EXPERIENCED SEASONAL WORKERS

On the orders of the day:

Mr. R. A. Webb (Hastings-Frontenac): Mr. Speaker, I wish to direct a question to the

Postmaster General. Is the Postmaster General aware that a number of persons who through the years have been employed as part time employees during the Christmas season, and are therefore well experienced in this type of work, are at a complete loss to know why they are being replaced in post offices this year?

Hon. Azellus Denis (Postmaster General): Mr. Speaker, in some cases where we have new people employed during the Christmas period it is because those skilled people were not available. Sometimes these skilled people are available, and those who are in charge of the post offices know the ones who are experienced and I think they give special consideration to them.

Mr. Webb: As a supplementary question, will the Postmaster General send out a directive to the postmasters that they choose them, and not defeated Liberal candidates?

UNEMPLOYMENT INSURANCE

STATEMENT ON POSITION OF FUND

On the orders of the day:

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, last week the hon. member for Lake St. John (Mr. Lessard) asked me about the resources of the unemployment insurance fund. At the end of November the amount in the fund was approximately $56 million.

LABOUR CONDITIONS

REQUEST FOR WINTER WORK BONUS ON RENOVATION WORK

On the orders of the day:

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, on Thursday last the hon. member for Burnaby-Coquitlam (Mr. Douglas) asked me about representations received with respect to incentive payments on renovations of old buildings. In reply to that question I wish to tell my hon. friend we have received representations. They are presently under consideration, but it is unlikely that a positive answer will be given to them at this stage.

PENSIONS

OLD AGE ASSISTANCE, BLIND AND DISABLED PAYMENTS—AGREEMENTS WITH PROVINCES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. Have any of the provinces yet reached agreement with the federal government to pay the increases in old age assistance and in the allowances paid to blind and disabled persons, effective December 1, which were passed in this house last week? If so, which provinces?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Mr. Speaker, we were keeping the provinces informed by telegram of the progress of the legislation through the house and of the royal assent to it. I have not checked this morning and I do not know whether any of them have notified us that they wish to reach agreement. However, they have been notified and we suppose they will answer right away.

Mr. Knowles: Would the minister check this and make a report tomorrow?

Miss LaMarsh: I will be glad to do so.

INDIAN AFFAIRS

SUGGESTED ADOPTION OF PRIVATE BILL RESPECTING COURT OF CLAIMS

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the genial Minister of Citizenship and Immigration. I would like to ask him, now that he has seen Bill C-130, respecting the disposition of Indian claims, in the cold hard light of day, does he consider it advisable to withdraw this bill from the order paper in favour of Bill C-67, introduced by the hon. member for Skeena (Mr. Howard), respecting a court of Indian claims, which was given first reading on May 31?

Hon. Guy Favreau (Minister of Citizenship and Immigration): Mr. Speaker, in view of the full consideration that has been given to the bill we have introduced, and in view of the fact that we feel it is completely fair and of great advantage to the Indians, it is now time to give them a chance to consider it and to know their answer by the beginning of next year.

HOUSE OF COMMONS

INQUIRY AS TO COMMENCEMENT OF NEW SESSION

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I would like to ask the Prime Minister whether he would advise the house as to the date of the reassembling of parliament after the new year.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, that of course will depend upon when we finish this session; but perhaps later in the week, on Wednesday or Thursday, when we have a clearer indication than we have now as to when this session may be finished,

there could be discussion with hon. gentlemen opposite as to the government's intention in calling parliament together next year.

INQUIRY FOR RETURN

CORRESPONDENCE RESPECTING COLUMBIA RIVER TREATY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I apologize for intruding into the question period at this late hour, but the matter I raise is one of considerable concern to thousands of Canadians. Would the Prime Minister inform the house whether the correspondence related to the Columbia, which was ordered to be tabled by virtue of a motion of this house on October 30, will be produced before this session ends?

Right Hon. L. B. Pearson (Prime Minister): I will look into that matter, Mr. Speaker, and see whether I can give my hon. friend a definitive reply tomorrow.

REDISTRIBUTION

PROVISION FOR OFFICE OF REPRESENTATION COMMISSIONER AND READJUSTMENT OF REPRESENTATION

Hon. J. W. Pickersgill (Secretary of State) moved the second reading of Bill No. C-126, respecting the office of representation commissioner and to effect certain consequential amendments to the Canada Elections Act.

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

Mr. Diefenbaker: Mr. Speaker, is the minister going to say anything in this regard?

Mr. Pickersgill: Mr. Speaker, I thought the right hon. gentleman made a very sensible suggestion when we were at the committee stage on the resolution, that we should have a full debate at that stage. The bill has been available for a week, and it seems to me there is nothing of a general character that I wish to say about the bill at this stage. I think it correctly represents what the resolution said it would; that it is to establish a representation commissioner whose primary function will be with respect to the redistribution and, to be frank, in the contemplation that a certain person who would probably be agreeable to the house accepts this position, it was felt to be desirable that the representation commissioner should have, for a period of years, a kind of appellate jurisdiction in respect of the office of the chief electoral officer. That is the principle of the bill. It seems to me, sir, that we could debate it much better clause by clause in committee, where in fact I shall probably wish to propose one or two amendments, as may other hon. gentlemen.

Mr. Diefenbaker: Could the minister indicate them now?

Mr. Pickersgill: The principal amendment that I have in mind at the moment is with respect to clause 22. Quite frankly, I do not like that clause in its present form, and I am going to suggest that a different method be employed to bring this matter to the attention of the House of Commons. The method I will suggest is that the Prime Minister should have the responsibility of bringing this matter before the House of Commons for a review.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I am not going to speak at length on this matter. As far as the general plan is concerned, it covers only the setting up of the office of representation commissioner, with certain consequential amendments to the Canada Elections Act. There is one clause that I think deserves consideration, and perhaps the house would allow me to make reference to it now. I refer to clause 10, which provides for the appointments and says:

> The commissioner may
>
> (a) appoint such officers and employees as are necessary for the proper conduct of the work of the office of the commissioner; and
>
> (b) prescribe the duties of such officers and employees—

I think the government would be weakening the provisions of the Civil Service Act by this clause, and I hope the minister will be prepared to agree to an amendment whereby these appointments would be made by the civil service commission. In so far as clause 11 is concerned, it provides that the commissioner may engage on a temporary basis the services of persons having technical or specialized knowledge of any matter relating to the work of the commissioner. I do not think that would be improper.

I am very glad this is the first step toward the assurance that we shall have in this country a redistribution made without regard to political bias or partisan considerations. We brought this question before the house in 1952. Hon. George Drew moved and I seconded an amendment when the bill was before the house. This amendment was:

> That the bill be not now read the second time but that it be resolved that in the opinion of this house consideration should be given to the enactment of a measure to provide for the appointment of a commission to effect the redistribution of electoral ridings in accordance with the census of 1951, pursuant to the provisions of the British North America Acts, 1867 to 1952 inclusive;

such commission to be instructed to make its report to this session of parliament upon the resumption of the sitting.

It is quite interesting to note the change of opinion that takes place over the years, Mr. Speaker, for I see that those who voted against that amendment in 1952, when we endeavoured to bring about this desirable objective, included the Minister of National Revenue (Mr. Garland), the Minister of National Defence (Mr. Hellyer), the Solicitor General (Mr. MacNaught), the Secretary of State for External Affairs (Mr. Martin) among other distinguished members at that time. In other words, with the passing of the years viewpoints change in the light of discussion.

I was rather surprised today to hear the view expressed by the Minister of Finance, who is rather new to the house, that he was not going to be cross-examined. That was the view of Charles I. I thought it had ended with the unfortunate demise of that king, but apparently that view is still held among those who occupy positions of responsibility on the treasury bench and who are not fully conversant with the traditions of parliament.

I have studied the reports of the commissions appointed in Australia, and they are very revealing. Mr. Castonguay, who it is generally agreed will occupy the position to be created under this bill, visited Australia; and a reading of the reports by the commissioners on the way they have dealt with the matter in their country is of particular interest. I do not see any one of them occupying a position similar to the representation commissioner who belongs to all of the commissions as set up; the reports do not indicate that. But the report of the commissioners of the various states were in general acceptable with one or two exceptions, all of which are set forth in the reports. The grounds of protest are generally those of inequitable distribution of enrolments giving excessive numbers to metropolitan divisions, illogical inclusion of some urban metropolitan districts with adjacent rural areas, and matters such as that. In other words, in Australia the general complaint seemed to be that there was over-representation in the urban areas, a complaint that is the reverse of that sometimes advanced in this country.

Our attitude throughout has been that action should be taken in this regard. The setting up of the commissioner is acceptable. I think that was not the view we held when we were in office, but I am not going to argue that question again. I think a man of the stature and fairness of Mr. Castonguay will make a worth-while contribution toward making parliament more effective.

I have read in the press editorials to the effect that when the Secretary of State endeavoured the other day to bring before the house first reading of the bill on the readjustment of the representation of the provinces in the House of Commons, and to provide for the readjustment of such representation, I took objection to that course in order to stall, hold up or obstruct action in this regard. That was furthest from my mind. I know that no matter what you do it will always be wrong as far as some newspapers are concerned. I am speaking of editorial writers. If I were to read the metropolitan morning newspaper editorials this morning I would find that the present government is wrong in two matters. Well, that is par on that course. The criticism which was made of me as leader of the Conservative party was made without justification, rhyme or reason. I raised the question whether we should proceed with first reading of the bill at that time in view of the fact that the representatives of the various parties had met and had decided that this bill would not be proceeded with at the present session. I raised that question, as it was my right and responsibility to do. The terms of this bill would not receive consideration in the present session, and that was the understanding. There is no reason at all why, before the end of this session, which I hope is not too far removed—

Mr. Pickersgill: Hear, hear.

Mr. Diefenbaker: I beg your pardon?

Mr. Pickersgill: I said "Hear, hear".

Mr. Diefenbaker: So you agree.

Mr. Churchill: I wish the N.D.P. would say "Hear, hear".

Mr. Knowles: Hear, hear.

Mr. Diefenbaker: The Secretary of State reveals a wonderful spirit of co-operation by what he has just said, which is appreciated very much. I simply want to make clear that we have no desire or wish to hold up redistribution, but arrangements have been made among the party representatives that the bill on the redistribution will not come up at this session. Therefore the suggestion in the minds of one or two editorial writers, or at least the criticism which was advanced, is devoid of that responsibility which one expects on the part of those who view us from positions outside of parliament. The suggestion of one paper was that if I, on behalf of the official opposition, were to obstruct this redistribution measure it should be pushed through by force of a majority in the house. That was a gratuitous statement, again without any foundation.

So far as this bill is concerned we intend to give it our support, asking, of course, that there be an amendment to the clause with regard to appointments to which I have made reference. We welcome the plan which is involved in the setting up of an electoral commission. We welcome any step which is taken to bring about an end to a system whereby political opponents are operated upon and their constituencies carved without anaesthetic. That was our idea when His Excellency, in the speech from the throne on January 18, 1962, used these words:

> My government will ask you to take steps to ensure that the forthcoming redistribution of electoral districts is made in an equitable manner upon an objective basis. To this end you will be asked to approve for the first time in our history a measure to create an independent commission to recommend the changes required in the electoral districts as a result of the decennial census.

We are at one with the government in this, and with the other parties as well. I hope that through discussion and examination, even cross-examination, we will bring about a bill that will be operative, effective, and generally will contribute to a better parliament in assuring a better basis of administration.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we agree with the Secretary of State and the Leader of the Opposition that it is not necessary to have a lengthy debate at the second reading stage of this bill. Indeed, we hope that debate on the entire bill at all its stages will not be lengthy and that we can get it passed in a reasonable period of time.

We have already indicated in an earlier debate on this whole question of redistribution that we welcome most heartily the main purpose of this piece of legislation. As hon. members who have looked at the details of the bill will be aware, it is a mixed bag. It deals with one aspect of redistribution and it deals with some aspects of our election machinery. Hon. members are also aware that there are features of this bill which cannot be fully implemented until another piece of legislation has been enacted. But even after all of this has been said, the fact remains that the main purpose of the bill before us today is to give parliament the opportunity to take the first step toward the redistribution of the seats in this house by an impartial body. I suggest that the day when we pass a first step of this kind is a red letter day for parliament. Some of the experiences of the past in connection with this subject are recorded in the pages of history, and some of those pages make dark reading. I think parliament will be doing itself proud when it recognizes that seats in the House of Commons should not be drawn by the members who are elected, but should be drawn by an impartial body, bearing in mind that the seats are the possession of the people of this country.

I welcome the statement made by the Leader of the Opposition (Mr. Diefenbaker). I do not think I have very often made an observation like that, and I hope the right hon. gentleman will not faint, on hearing words of commendation from me—

Mr. Diefenbaker: I will wait until you conclude before I intervene.

Mr. Knowles: But, as the Leader of the Opposition is aware, interpretations were placed on statements made earlier by him, or on actions taken earlier by him, which suggested that he was not prepared to go all the way with the proposals for impartial redistribution. He has set aside those doubts. He has referred again to the proposal made in the speech from the throne in the last session in which he was prime minister. He has told us he wants redistribution to be carried out by an impartial body. That is now the position of the present government. It has been our position throughout the years. It is the position taken by other groups. We are all agreed. I hope the day has now come when it will not be necessary for editorial writers to say to any party in the House of Commons: No politics, please, in connection with redistribution. It is up to us. We can demonstrate that we are united in this high purpose, and if we can carry it through it will be a good day for parliament.

I recognize that this is only a first step—that the other piece of legislation will also have to be passed. I recognize we may have difficulties about some of the details in the other bill. We have already indicated some of those difficulties during the earlier debate. I need not repeat the position we in this party took with regard to some of those details. However, I suggest that differences over detail will not justify anyone saying that anyone is trying to detract from the idea of redistribution by an impartial body. We like, in this House of Commons, to be in a position to attack right and left—to blame the Liberals, to blame the Tories, and that sort of thing. It is a happy thought that today we have no need to do that, and the sooner we make it clear that we are unanimous on this principle of redistribution by an impartial body the better it will be for parliament and for the whole legislative and democratic process in this country. I trust we can get on with this piece of legislation and, having passed it, that we can deal with the other bill at an early date when the new session starts.

Representation Commissioner

It was not clear from what the Leader of the Opposition was saying about the other bill what his attitude is toward its being introduced tomorrow, or some day this week, and being read a first time. I accept his suggestion, despite any previous difficulties we may have had, that the introduction of that bill should be held up until this debate is over. But after this debate is over and after this bill has been passed, I think there might be consent, tomorrow or later this week, to the introduction of the other bill so that it may be printed and we may know what the government has in mind for parliament at the next session.

When we get into committee on this bill there may be a few amendments moved from this part of the house to some of the provisions dealing with the details of the election machinery. We have no amendments to suggest to those features of the bill which deal with redistribution. I did intend to raise a question about clause 22, and I am glad, as I am sure Your Honour will be glad, that the Secretary of State (Mr. Pickersgill) has indicated there will be an amendment to that clause. We are not supposed to refer to clauses of a bill on second reading, but far be it from me to be outdone by the Secretary of State or by the Leader of the Opposition, who have both done so.

Before I am called to order, may I remind hon. members that clause 22 proposes the unusual course that something should be done on a motion in the name of Mr. Speaker. I am sure this is a situation we should try to avoid. We once had something done in this house on the initiative of the Speaker, something which is of sorry memory, six or seven years ago, and I think it would be far better that if a motion has to be made it should be made in the name of the house by the Prime Minister as the leader of the house. So I am glad the Secretary of State does propose to make an amendment with regard to clause 22, the only clause having to do with the redistribution aspect of this bill which we might have sought to amend. With regard to some of the other clauses dealing with the election machinery, we may have suggestions to make.

Because of the unanimity which has been demonstrated on this occasion, we are able to omit references to past history. The fact is we now have the party in power, the party which has been in power, and parties which would like to be in power all agreeing that the time has come for independent redistribution. This is an important step, and we support this bill.

[Mr. Knowles.]

Mr. A. B. Patterson (Fraser Valley): In the earlier debate on this subject I took the opportunity of placing on record the position of the Social Credit party with respect to the measure now before us. I rise at this time simply to say that we continue to support this bill. As far as the principle is concerned, we are giving it our full support though, possibly, we may have reservations with regard to some of the detailed proposals. We recognize that political and party views do play a great part in the operations of parliament, but we recognize, too, that recently there seems to have been a tendency toward co-operation with respect to some of these important questions. We certainly welcome the fact that the house is endeavouring to put this particular matter above political considerations. I believe that with a continuance of the co-operation we have seen we should be able to arrive at a definite conclusion on the matters now before us. I rise simply to voice our support for the principle of this measure.

Hon. J. W. Pickersgill (Secretary of State): Perhaps I might just say a word to close this debate—to express my appreciation for the unanimity which has been shown and, in particular, for the way in which the hon. member for Lapointe (Mr. Gregoire) has expressed his unanimity, that is to say, by his silence giving consent.

I would not have risen at all except that I wanted to reiterate what I said earlier, namely that except for the monetary provisions contained in this bill, with respect to which the initiative of the crown must, of course, be respected, amendments which are put forward from any part of the house will be considered on their merits.

With regard to the question raised by the right hon. gentleman with respect to the appointment of staffs, let me say that I am perfectly willing on behalf of the government to consider a different procedure. But I would point out that the chief electoral officer stands in exactly the same relationship to parliament as does the civil service commission. This would be equally true of the representation commissioner, if the bill is adopted. He is not an officer of the government: He is an officer of parliament, and as independent of political parties as the civil service commission itself could be.

It may be there would be reasons why, in the case of certain members of his staff, and particularly in view of the fact that we are faced with some degree of temporal urgency in getting on with the work, it might not be as convenient to use the machinery of the civil service commission which, in the effort to be fair, is sometimes a little cumbersome. I would prefer to wait until we get into committee to consider the matter because,

quite frankly, I do not disagree with the right hon. gentleman at all in principle.

I know he will not misunderstand me when I say that the only contentious note he introduced was his casual reference to the Minister of Finance. I am aware of the scrupulous desire the right hon. gentleman has always shown in the house to be absolutely and judicially fair in these matters. All the Minister of Finance was doing today was objecting to cross-examination on the orders of the day, which anyone who will read paragraph 173 of Beauchesne will see is completely out of order. The Minister of Finance, even though inexperienced, was completely right about the rules. The proper time to cross-question him is when he introduces a budget, when he brings forward estimates, when he introduces bills. But I think the Minister of Finance took—

Mr. Knowles: Speaking of the rules, what relevance has this to the bill now before us?

Mr. Pickersgill: The hon. gentleman is perfectly right. It has none, and I am going to cease and desist at once. I was not making the remarks in a very serious vein, anyway, any more than the right hon. gentleman was. I think we should seek to preserve the spirit of unanimity and highmindedness which has characterized the consideration of this matter up to the present, and which I hope will continue throughout its passage through parliament.

Again in a very serious vein, I want to thank all hon. members for the assurances of support. Perhaps I could conclude by saying that I was possibly a little less than frank with the right hon. gentleman when I opened the debate. I have had another amendment to the bill prepared which, if the house wishes, I have the authority of the Prime Minister and my colleagues to propose. It would be made at the end of the bill and in this way we could save ourselves the trouble of having to introduce and adopt a resolution for the appointment of the first representation commissioner. In this way we could carry out right in the legislation itself, in so far as the first commissioner is concerned, what seems to have been and I hope will be reiterated to have been the intention of the whole house, to appoint the present chief electoral officer to this office.

Mr. Knowles: Agreed.

Mr. Pickersgill: Not by name but by office.

Mr. Diefenbaker: I do not understand it. If it is not by name, what does the minister mean?

Mr. Pickersgill: Perhaps we can deal with this when we get to the committee stage, rather than entering into technicalities now, which might cause another breach of the rules. I simply wished to be perfectly frank and to indicate at this stage that if this could be done in this way it would save having to bring in a resolution later in the week to do what it seems to me we all want to do anyway.

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

Mr. Knowles: Unanimously.

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

Clauses 1 to 3 inclusive agreed to.

On clause 4—*Tenure of office.*

Mr. Diefenbaker: What is the age of the potential appointee?

Mr. Pickersgill: I am told just a little bit less than half a century.

Mr. Diefenbaker: Almost the same diffidence that some women show.

Clause agreed to.

Clauses 5 to 8 inclusive agreed to.

On clause 9—*Report on methods of registration of electors and absentee voting.*

Mr. Barnett: Mr. Chairman, as indicated at the second reading stage by the hon. member for Winnipeg North Centre, there are two or three suggestions by way of amendment that I should like to propose to clause 9 which, as was pointed out, really has to do with the instituting of a certain review and study of the methods of registration of electors and methods of absentee voting by electors. The suggestions I wish to make are by way of addition, rather than change in what is now set forth. They have to do generally with the idea that in addition to examining the methods of registration and of absentee voting which may be in effect in other countries the study should also include an examination of the methods followed in respect of these matters in the various provinces of our own country. I do not know what other members of the committee have found the situation to be, but certainly I have had a great many people suggest to me from time to time that we should be moving toward greater uniformity in respect of elections at both the federal and provincial levels. It seems to me that an opportunity is provided under clause 9 at least to consider this idea.

In order not to prolong the discussion I should like to move immediately:

That paragraph (a) of subclause 1 of clause 9 be deleted and the following substituted therefor:

Representation Commissioner

"Review and study methods of registration of electors used in provincial elections and in elections in countries where continuous electoral rolls are maintained."

In line with the suggestion made earlier by the Secretary of State I would hope he will recognize that this amendment is put forward in a completely non-partisan way and I would hope that perhaps he might be the first to indicate his acceptance of the idea put forth in the amendment.

Mr. Diefenbaker: What is the purpose that the hon. gentleman has in mind?

Mr. Barnett: With regard to the study and review of methods of registration, the purpose is to provide that the commissioner should also make a study of the methods of registration used in elections in the various provinces, or provided for in the election acts of the various provinces, as well as those in use in other countries.

Mr. Diefenbaker: Would the hon. gentleman say in what provinces there are permanent electoral lists?

Mr. Barnett: I can speak with some knowledge of my own province of British Columbia where there has been a form of permanent election list for many years. I am not saying that I consider it to be a completely satisfactory one.

An hon. Member: Far from it.

Mr. Barnett: Far from it; I think that expresses my sentiments as well. It is my view that one thing that might be achieved by including the provinces in this study would be a move toward uniformity of election acts and methods of registration and voting as between the provinces and the federal government.

Mr. Pickersgill: Mr. Chairman—

The Chairman: Order. Before we have a discussion on the amendment I should read it to the committee.

Mr. Pickersgill: I wonder if I could make a suggestion, Mr. Chairman? Before any of these amendments are put, could we save time if we had a little discussion? Perhaps these amendments could be put forward as suggestions and then the hon. member could move them after we had discussed them. This might save a little time.

Mr. Barnett: In line with what the Secretary of State has suggested, perhaps I should indicate at this point the other amendments I had in mind.

Mr. Pickersgill: If I may say so, I think it would be preferable to put these forward as suggestions for consideration; then if there seemed to be no serious objection to them the amendments could be moved. I may say there seems to be something to this idea, but I believe the exact language does present some difficulties.

Mr. Barnett: The second suggestion would involve paragraph (b). Here again, it is simply a matter of inserting a provision for provincial elections. There should be a review and study of the methods of absentee voting used in provincial elections and elections in countries where provision is made for absentee voting. For many years we have had in the province of British Columbia a system of absentee voting in provincial elections. It is one that is considered to be quite satisfactory and which meets the needs of the province. It is one that would be well worth including in this study.

The next suggestion I wanted to put forward has to do with studying the methods of proxy voting used in provincial elections and in elections in other countries. I have been given to understand that one or two of the provinces of Canada do have some arrangements for proxy voting under certain circumstances. I am not familiar with the details, but I have been informed that is the case. The next proposal would need an additional paragraph (d), if it were put forward in this form. It would relate to the preparation of a report setting forth the recommendations of the commissioner as to whether the extent to which the methods of redistribution, absentee and proxy voting referred to in paragraphs (a), (b) and (c), might be applied or adapted for use in federal elections in Canada with a view to reducing the time required for the holding of federal elections. This, I feel, would make it clear that we would expect to have placed before us in a detailed way, the recommendations of the commissioner on these matters.

Mr. Diefenbaker: Mr. Chairman, I think what the hon. gentleman has in mind could be brought about by simply leaving out certain words in paragraph (b), to review and study methods of absentee voting by electors, who, by reason of absence, and so on. If you omit those words, it would enable the commissioner to look into a plan, whether provincial or national.

This certainly is a very important matter in so far as those who serve in external affairs, trade offices abroad or where other positions of extraterritorial responsibility are concerned. The people who serve their country abroad, with the exception of those in the armed forces, are placed in a very unenviable position in being denied their full rights

of citizenship. Anything that might be recommended in that connection will be beneficial. Over and over again, as I have visited embassies abroad and met the Canadians who serve their country outside of Canada, I have found that one of the major objections they have to serving abroad is that it denies them the right which is essential to full participation in the government of the country.

I am sure the hon. gentleman will not misunderstand me when I say that I am not impressed by the suggestion that there should be proxy voting in this country. There are enough difficulties in the way now, without adding to them.

Mr. Pickersgill: I wonder if the right hon. gentleman would permit a question? Would he believe that perhaps there had been a little too much proxy voting sometimes in the past?

Mr. Diefenbaker: Yes, I seem to recollect one famous example, without identification in any way of the member connected with the incident many years ago. I believe it was the Right Hon. Mackenzie King, in the election of 1935, who was visiting a certain province in which one of his grandfathers was buried. During the course of the day he said he would like very much to visit that cemetery. He said, "You know, he was a fine man but he was a Conservative; I never quite understood that. He voted Conservative consistently." The member, who afterwards occupied one of the highest positions on the treasury bench stated, "Don't worry about that, Mr. King; he has been voting in every election." This type of proxy exercise of the franchise is just one of those difficulties in the mind of the Secretary of State, otherwise he would not have impelled me to give that example.

Mr. Barnett: I should like to make it clear at once that in putting forward the suggestion that a study be made of proxy voting, I am not necessarily suggesting I should like to see it included in our federal elections act. However, if some provinces or some other countries have some provisions along this line, and as I say I did not realize that they had until recently, I would be interested in knowing more about them.

Mr. Pickersgill: Mr. Chairman, I am very much disposed to accept the view of the committee in a slightly modified form. I think it could be done by the omission of certain words, as the right hon. gentleman has said. It could be done also, by the addition of one or two words. I do not believe the hon. member's amendment, in its original form, to paragraph (a) and also to paragraph (b), would mean quite what he intended to mean. If the paragraph referred to a review and study of methods of registration of electors used in provincial and national elections, in provinces and countries, I think that amendment and the same amendment in paragraph (b), would meet the problem. I am quite sure from what discussion I have been able to have about this matter it was just taken for granted that anything being done in Canada would be studied. This amendment would make sure that it would be done. If there were no objection, I do not see why the hon. member could not move his amendment in amended form to paragraphs (a) and (b). There does not seem to be any disposition not to accept it.

I rather share the view of the Leader of the Opposition in respect of the proxy question, but for an additional reason to the one he has given. It is this: There is a time limit in this measure on these studies. If redistribution is done, and these studies are to be done, the whole business is to be reviewed, according to the provisions of this bill, in 1969. From what I am able to learn these two studies alone are going to take pretty well all the time that is required.

I think it is the unanimous view in the country, at least among those who have anything to do with elections, that if we can find a satisfactory method of having permanent lists to reduce the period of elections, we would all say hurrah. Anyone who values his citizenship, as we all do in this house, must feel that every Canadian citizen should have the opportunity of exercising the most important right of citizenship, the franchise, if it is possible to arrange to have that done.

These two studies seem to be of such transcendent importance, compared with the question of proxy voting, that I would prefer not to impose this further duty at this time upon the commissioner. If at the time the review takes place there is some feeling we ought to go on having other tasks for a representation commissioner, then it might be considered at that time. This is perhaps somewhat of a conservative approach to the matter, but on this day of unity perhaps I may be permitted to express that.

Mr. Diefenbaker: Mr. Chairman, I think we should do everything possible to assure that everyone has the opportunity to vote and will exercise his right in the future. When I spoke a moment ago about a former prime minister and his grandfather I neglected to say—and I know it was understood by members of the committee—that the member in question with whom Mr. King was travelling said he had been voting Liberal ever

since he passed away. Of course none of us want to see that kind of proxy voting practised, but we do wish to encourage people to exercise their vote as far as possible.

I am not one of those who believe in compulsory voting. I do not think it has worked out well. Mr. Castonguay has been in Australia where they have compulsory voting, but in my opinion this idea has not worked out too well.

A few years ago I had a suggestion given to me by an old recluse farmer in Saskatchewan who had a plan whereby everybody would vote. He said that if at the time an elector registered to vote he were required to pay $1 there would be a 100 per cent vote, or as near 100 per cent as possible, provided provisions were made that at the time the elector was handed the ballot he received a counterfoil which would secure him a refund of the $1. While this is a system I do not recommend, it is an example of a citizen who was devoting his thoughts to the solution of a matter that is very difficult, and one that is most costly to all who participate in elections in getting out the voters, while keeping strictly within the law.

Mr. Fairweather: I wonder if the Secretary of State contemplates that overseas staffs would not be able to vote until 1969?

Mr. Pickersgill: No, not at all. The fact that a study of this kind is being made will not, and could not preclude this parliament from making any amendments it saw fit to the Canada Elections Act, to provide for as great a measure of absentee voting as was thought to be practical in the meantime.

Mr. Fairweather: I was in Japan recently, and our embassy officials told me that the military attache had the vote. He sat during election time taking the votes of the one sergeant and one major, while the other public servants watched. It is high time a solution was found for this inconsistency.

Mr. Pickersgill: I may say to the hon. gentleman that while he was visiting Japan and other interesting places, I am told that elsewhere in this building consideration was being given, in respect of the Canada Elections Act, to the very question he is talking about.

Mr. Prittie: I wish to make a brief remark with regard to clause 9 (b). The right hon. Leader of the Opposition and the hon. member for Royal have referred to absentee voting for those serving the government of Canada overseas. The hon. member for Comox-Alberni, myself, and others from British Columbia have more in mind the thousands of people in that province who, because of their occupations, are often away from their homes at election time. They are the people who work in logging camps, the fishing industry and the mines. I am fully sympathetic with the views expressed about Canadian public servants overseas, but there is a very large number of Canadians at home who need absentee voting rights, and I hope the potential commissioner will look into it.

Mr. Pickersgill: Like the hon. gentleman, I have a lot of loggers in my constituency and some of the recent elections were called at a time that was very inconvenient for them.

Mr. Douglas: I think we would agree with the Secretary of State that priority should be given to the two items which have been mentioned, the making up of a permanent list to prevent thousands of people being disfranchised because the enumerators have not been able to call on them when they were at home, and the other, to provide an absentee ballot for people absent from their constituencies, and even for people on holidays.

If an election is held in the middle of summer a large number of people are on holidays, and if they could vote at resorts through absentee ballots they would not be disfranchised. One election in 1945 was held in August—

Mr. Churchill: 1953.

Mr. Pickersgill: That was when I was first elected to parliament.

Mr. Douglas: I know that in that election thousands of people did not vote because they were on holidays.

Mr. Knowles: I think that is probably how the Secretary of State got elected.

Mr. Pickersgill: Yes, I think all the people in Bonavista-Twillingate were on holidays.

Mr. Douglas: If it is not too much of a burden, someone should take a look at the question of proxy voting. There is a lot to be said for people who are in hospitals, bedridden. Polls could be established in hospitals if the hospitals are large enough, but people who are bedridden at home, unless their friends are prepared to carry them to the polls, cannot vote. Even if they are carried, if the polling station is in an upstairs room which requires the climbing of stairs, they cannot vote, although I know that in some of the provinces, at the discretion of the returning officer the ballot box can be brought out to them, provided the scrutineers come with it to make sure nothing untoward takes place.

Mr. Pickersgill: Would the hon. member now like to go ahead and move his first two amendments? I would hope he would not press the other one.

Mr. Barnett: Seeing these two are being generally accepted, with the help of the Secretary of State I would like to move:

That paragraph (a) of subclause (1) of clause 9 be deleted and the following substituted therefor:
"(a) review and study methods of registration of electors used in provincial and national elections—

Perhaps I might suggest that should read "federal elections".

Mr. Pickersgill: No, I think "national" because there are many countries that are not federal.

Mr. Barnett: Very well.

—in provinces and countries where continuous electoral rolls are maintained;"

Amendment agreed to.

Mr. Barnett: Mr. Chairman, may I proceed to move a further amendment. I would like to move:

That paragraph (b) of subclause (1) of clause 9 be deleted and the following substituted therefor:
"(b) review and study methods of absentee voting used in provincial and national elections in provinces and countries where provision is made for absentee voting by electors who, by reason of absence, illness or other cause, are unable to vote at such elections in the polling districts or divisions in which they ordinarily reside; and"

Amendment agreed to.

Clause 9 as amended agreed to.

On clause 10—*Appointment of staff of commissioner.*

Mr. Pickersgill: Before clause 10 is carried, Mr. Chairman, I wonder whether I may say a word about the point raised earlier by the Leader of the Opposition. I am now informed —I was not informed about this when the debate started—that from 1920 until 1949 the chief electoral officer had the power to appoint his own staff. When the present incumbent of that office took over in 1949 he recommended that the staff subsequently be appointed by the civil service commission, and that has been the practice ever since. The chief electoral officer has advised me that in order to get on with the very urgent task of preparing maps, collating statistical information, and so on, it would be a tremendous convenience if he could engage a staff—which could be done very quickly once the office is set up—to get this work done, so that no time would be lost between now and the time when, during the next session of parliament, we get around to dealing with the boundaries commission bill. It is for precisely this reason that we are so anxious to get this bill passed now, so that all that preparatory work could be done and no time would be lost. I think that if the practice which prevailed in the office of the chief electoral officer was the pattern, probably at the time this act is reconsidered it would be thought desirable, when the basic staff is established, to have recruitment carried out by the civil service commission. For that matter, that could even be provided for at a subsequent session of parliament at any time it was felt desirable, as undoubtedly it would be, once the original establishment was made up.

In any event, it is very probable that the representation commissioner will wish to draw upon some of the people in other branches of the public service for a good part of this work. I think we can rely on the chief electoral officer—if he becomes, as I believe we all hope, the representation commissioner—to show that same impartiality in this matter as he has shown in the matter of carrying on the elections themselves.

Mr. Diefenbaker: How many officers and employees are contemplated?

Mr. Herridge: May I ask the Secretary of State a question, Mr. Chairman? Would these employees be considered temporary employees?

Mr. Pickersgill: I will read the clause, Mr. Chairman:

The commissioner may
(a) appoint such officers and employees as are necessary for the proper conduct of the work of the office of the commissioner; and
(b) prescribe the duties of such officers and employees and, subject to the approval of the treasury board, prescribe the conditions of their employment.
(2) The officers and employees of the commissioner appointed as provided in subsection (1) shall be paid such salaries and expenses as are fixed by the commissioner with the approval of the treasury board.

I think this would make them public servants in the ordinarily accepted sense, and not temporary employees, because clause 11 appears to me to provide for the engaging of temporary staff of a technical nature.

Mr. Herridge: What I had in mind, Mr. Chairman, was this. The number of employees required in the early establishment may be far more than would be required when the program is rolling and established.

Mr. Pickersgill: I am told by the chief electoral officer that his estimate is that there would be about eight employees engaged under this clause.

Mr. Diefenbaker: Mr. Chairman, I feel most strongly that recruitment should be through the civil service commission in general. But in all the circumstances and in view of the statement that the number of these appointments will be restricted to eight, and that to endeavour to recruit them through the civil service commission would take a considerable period of time, I am not going to press the point. I am quite surprised to learn, though,

that there is dilatoriness or delay on the part of the civil service commission in the matter of making appointments. That is the conclusion inherent in the statement made by the minister. That was not the experience when we were in office, and I am just wondering what he meant by that. But I am not going into that particular phase today.

Mr. Pickersgill: Mr. Chairman, I can assure the right hon. gentleman that it is not as it used to be when I was appointed in 1937. I wrote the examination on October 14 and 15, 1936, and I was appointed on October 14, 1937. I believe the time lag is very considerably less nowadays. But it is still necessary, under the civil service commission regulations, to have examinations, to have someone correct the papers and to go through the formalities which ought to be gone through when a considerable number of posts in the public service are open for competition. We all know that those processes cannot be abbreviated beyond a certain length of time, just as we know that elections, under the law at the present, cannot be abbreviated beyond a certain length of time.

Mr. Diefenbaker: Mr. Chairman—

Mr. Gregoire: Can we ask the Secretary of State to make an inquiry—

The Chairman: The right hon. Leader of the Opposition.

Mr. Diefenbaker: I am sure, Mr. Chairman, the civil service commission did not have knowledge of the precocity of the hon. gentleman at the time, or there would not have been that delay.

Mr. Douglas: Mr. Chairman, could I ask the Secretary of State whether it is possible that it took them a year to decipher his writing?

Mr. Gregoire: I should like to ask the Secretary of State why they hesitated for one year to hire him in the civil service.

Mr. Pickersgill: In view of my subsequent career, Mr. Chairman, I do not altogether blame them.

Clause 10 agreed to.

Clauses 11 to 21 inclusive agreed to.

On clause 22—*Provision for review of act.*

Mr. Pickersgill: Mr. Chairman, in order to save the time of the committee my colleague the Minister of Trade and Commerce would like to move an amendment at once. The amendment is in these terms:

That Bill C-126 be amended by striking out clause 22 thereof and substituting therefor the following:

"22. The Prime Minister shall, at the earliest convenient opportunity after the commencement of the first session of parliament commencing after 1968, propose to the House of Commons that an order be made and referred to the appropriate committee of the House of Commons for the review by such committee of the provisions of this act and for the recommendations of such committee with respect to any amendments, alterations or modifications thereto that appear to the committee then to be necessary or desirable, and upon such order being referred to it the committee shall consider the matter of the order and report to the house its recommendations with respect thereto."

Amendment agreed to.

Clause as amended agreed to.

On clause 23—*References to representation commissioner.*

Mr. Pickersgill: Mr. Chairman, I wish to propose at this time the amendment which is the amendment I indicated earlier on second reading I was proposing to move, if I found the committee in the mood I hoped to find it in, and which I appear to have found it in. Again the Minister of Trade and Commerce is pleased to move:

That Bill C-126 be amended by striking out clauses 23 and 24 thereof and substituting therefor the following:

Appointment of first representation commissioner.

"23. Notwithstanding section 3 of this act, the person who upon the coming into force of this act held the office of chief electoral officer of Canada shall be deemed to have been appointed at that time pursuant to this act to hold the office of representation commissioner, and until the appointment of a person pursuant to the Canada Elections Act to fill the vacancy thereby resulting in the office of chief electoral officer of Canada, the representation commissioner has and may exercise and perform all the powers, duties and functions of the chief electoral officer under any law of Canada, and with respect to any period before the appointment of such a person, a reference in any such law to the chief electoral officer shall be construed as a reference to the representation commissioner."

This amendment will have the effect, if adopted by the committee, that on royal assent, as the act will not have to be proclaimed, the chief electoral officer will become the representation commission. He will also until such time as the house is pleased to adopt a resolution appointing a new chief electoral officer be able to perform all the functions of the chief electoral officer. I do not think it will be possible during the present session of parliament to appoint a new chief electoral officer. This is a matter to which very careful consideration must be given and on which I believe there must be consultation among the parties. We want someone as nearly acceptable to everyone for that office as is the present chief electoral officer. This provides for an orderly transition. It gives us knowledge right now, if we enact this legislation in this session of parliament, of the person who will occupy that position, and I hope it will commend itself both to the committee and to the house.

Mr. McWilliam: Will that be clause 23?

Mr. Pickersgill: Yes.

[*Translation*]

Mr. Gregoire: Mr. Chairman, before this amendment is carried, I would like to point out to the Secretary of State that he has moved two amendments to this bill, both worded in English. I wonder whether he would be kind enough in the future to have these amendments drawn up in both languages? I think that would also be appreciated by the hon. member for Port Arthur (Mr. Fisher).

[*Text*]

Mr. Pickersgill: Mr. Chairman, I could easily translate it right here in the committee, but I am not quite sure that my French would be in the correct legal terminology. I think it would be preferable if we could adopt the amendment and stand the bill over for third reading until tomorrow, so that the amendments could be distributed in both languages. In case there was any objection to them there would be an opportunity to register that objection before third reading took place. I apologize for not having the amendments available in both languages, but I may say that it was only at two o'clock this afternoon that I was able to consult my colleagues about both these amendments, and they had been prepared only a very short time before. In order to prepare a proper translation it is necessary to consider and weigh carefully all the terms, as we discovered the other evening, as the hon. gentleman will recall.

Mr. Knowles: The Secretary of State would not have proposed this amendment had he not known that it would meet with the unanimous approval of the committee. Even so, I do not think it is out of place for us to say that we are unanimous. I am sure that on this occasion I speak for everyone when I say that we welcome the decision of the government to give parliament the opportunity to name Mr. Castonguay as our first representation commissioner.

Amendment agreed to.

Clause as amended agreed to.

Mr. Pickersgill: Clause 24 goes now.

Title agreed to.

Bill reported.

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

Mr. Pickersgill: Next sitting.

28902-5—379

CUSTOMS TARIFF

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I believe there might be time in the one minute remaining before five o'clock to deal with the Customs Tariff.

Mr. Deputy Speaker: Is that agreed?

Some hon. Members: Agreed.

Hon. Mitchell Sharp (for the Minister of Finance) moved the second reading of Bill No. C-129, to amend the Customs Tariff.

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

On clause 1—*Schedule A amended.*

Mr. Nowlan: Is the minister going to make a short statement just by way of explanation?

Mr. Pickersgill: As a guide for the senators.

Mr. Benson: I have a very brief statement, Mr. Chairman, if you wish me to make it. This bill involves two proposals, both of which I believe are of a non-controversial nature. The first is to remove all Canadian tariffs from tea on January 1, 1964, simultaneously with similar action by the United Kingdom and a number of other countries. This is part of an international initiative to assist the trade of developing countries. The second proposal is to extend the duration of three temporary statutory items which now bear expiry dates of December 31, 1963.

Clause agreed to.

Mr. Knowles: Is it the hope of the government that when tea comes in free the price will go down?

Clause 2 agreed to.

Title agreed to.

Bill reported and 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 notices of motions.

TRANSPORT

MINAS BASIN—SUGGESTED RE-ESTABLISHMENT OF FERRY SERVICE

Mr. Robert C. Coates (Cumberland) moved:

That, in the opinion of this house, the government should give consideration to the re-establishment of the Minas basin ferry service with special attention given to the use of a Hovercraft in this operation.

Some hon. Members: Agreed.

Minas Basin Ferry Service

Mr. Coates: I would be quite happy to resume my seat if unanimous agreement were given to the adoption of this proposal. However, I feel somewhat doubtful that this is, indeed, the situation and I therefore consider it would be wise if I gave the house a little background information to show why I placed this resolution on the order paper.

The Minas basin ferry service was a service available to the people of Nova Scotia in the Annapolis valley, and the town of Parrsboro in my constituency. This service came to an end in 1940, after 90 years of operation. The federal government of that day considered it necessary to take the ferry which was used to provide this service and employ it in Newfoundland on duties which were considered to be of greater importance. At the time the ferry service was eliminated, there was no great hue and cry either in the Annapolis valley or in my constituency, mainly because it was a tidal operation and the trucking companies considered the type of service which had been provided an outmoded one.

Since that day there has been growing concern among the people of the Annapolis valley and my constituency that a more up-to-date service should be provided. The saving in mileage brought about by a ferry is considerable when one considers the area of Nova Scotia concerned and the time spent by trucking firms and others in going around the Minas basin rather than across it. If this ferry service were re-established it would mean the elimination of about 115 miles of travel, especially for tourists and transportation companies engaged in agriculture and fishing. The introduction of a practical transportation service would, I believe, be of real benefit to my area as well as to other areas associated with the Minas basin and the bay of Fundy.

In two different countries there have been significant advances which have made possible a type of ferry service far more efficient than anything which has gone before. In Britain they have invented the Hovercraft, a new type of craft which is capable of travelling at tremendous speed over water. It can travel as fast as 75 miles per hour, and a great deal of consideration has been given by the government of the United Kingdom to the employment of this type of transportation facility. In Russia there has been a tremendous improvement in public transportation consequent on the development of the hydrofoil, a vessel somewhat similar to the Hovercraft. Both these vessels hover above the surface of the water; they do not actually touch the water and they are capable of tremendous speed. It is my feeling that in a country such as ours, where so many transportation difficulties are encountered, and so much water has to be traversed, and where there is such a heavy demand for exploration in the northland, the adoption of one or of both these craft might well bring us tremendous advantages, as well as savings from the taxpayers' point of view. They would, of course, need to be capable of moving the heavy transport vehicles which are so much a part of the transportation system of this country today.

In May of this year I had the opportunity to take part in a demonstration of one of these Hovercraft in Montreal and I found myself moved over the St. Lawrence river at 75 miles an hour, an amazing speed when one considers he is moving over water. For that matter, the craft was capable of moving over land, as well, because, in fact, it operates two or three feet above the level of the water, or the land, and obstacles do not present any great problem. I think craft of this type would prove to be of tremendous benefit in operations in northern Canada. I believe, too, that the service I have in mind, the Minas basin ferry service, and the service provided between Digby and Saint John, New Brunswick, could be joined together if craft of the type capable of moving the type of transport we have in our country could be made available. At the same time we would eliminate the heavy cost of wharfage facilities, which faces the government at the present time.

It is my opinion that governments have not been as interested in the development of craft of this type as they should be. When I say that, I am not saying that the former government was any better or more realistic about this matter than the present one. I am simply saying that this government and maybe the provincial governments—because there is certainly a field here where they could become involved—have not in my opinion looked at this subject realistically enough, and have not taken advantage to the extent they should of the tremendous amount of information available today both in Great Britain and Russia, where great amounts of money have been spent to produce some significant vehicles in this field.

In the November, 1963 issue of "Soviet Union Today" there is a description of a hydrofoil motorship which has a seating capacity of 250 to 300 passengers and a cruising speed of 75 kilometers per hour. In England at the present time a Hovercraft is either in the planning stage or being constructed which will be put on the English channel run and will carry approximately 300 passengers.

It is my view that in Nova Scotia, where transportation is so very important, there is an opportunity to eliminate a good deal of the money that is now being paid out in government subsidies and also to eliminate the heavy wharfage problems that are always on the doorstep of the Department of Public Works by endeavouring to have a craft of this type constructed to provide service in the Minas basin, and also between Saint John and Digby. I know that at the present time the new ferry operating between Digby and Saint John is encountering difficulties because of the wharfage facilities at Digby. They simply are not satisfactory for the new ferry that has been placed in the service by the C.P.R. How much better it would be if we could eliminate the wharfage facilities altogether by using a craft that did not need them, and which could provide a much better and more efficient service and eliminate so much time.

There are also other areas in other parts of Canada, certainly along the St. Lawrence river, about which the same thing can be said and probably even to a greater extent. We have heard in recent days in the house about the problems in the Baie Comeau area of Quebec where ferry subsidies are being removed, and because of this the people may be deprived of transportation facilities which they consider they need very badly.

Mr. Regan: On a point of order, Mr. Speaker, I submit that the remarks now being made by the hon. member for Cumberland (Mr. Coates) with reference to areas other than the Minas basin are not relevant to this notice of motion and that the hon. member should confine his remarks to that area.

Mr. Coates: I may have been straying somewhat. However, I feel that a ferry service for the Minas basin is very essential and in my view a Hovercraft or a hydrofoil craft might be able to provide excellent service for that area and for other areas as well. I hope the hon. member is not indicating by his remarks that he does not believe the government should give consideration to an investigation of these new types of craft. I hope he does not mean that we should not embark on the type of investigation that may very well benefit all areas of the country. I really do not think he does, because I know his home is in the Annapolis valley rather than in the constituency he represents, and that he knows the situation probably better than he might care to state at the present time.

What I am really trying to put before the house is a problem that we face in Canada today, and I would point out that recent announcements with regard to ferries generally would seem to indicate that the government is going to involve itself in very substantial expenditures of money. It may well be that we are away behind the times and that we could save a great deal of money, having regard to what we are spending in subsidies, maintenance charges and so on and the heavy cost of wharfage facilities, if we would make a thorough investigation into the possibility of using craft of this type, because it might well be that a great deal of benefit would accrue.

I do not think I have very much more to say. I have placed the facts with regard to the Minas basin ferry service before the house on other occasions. I hope the government will find some merit in the suggestions I have made. I should certainly like to think that not too far in the future the government will take a long look at both the Hovercraft and the hydrofoil as a possible means of providing a more efficient type of transportation at a lesser cost to the taxpayer than is the case today.

Mr. Gerald A. Regan (Halifax): Mr. Speaker, in rising to speak on this notice of motion may I say I was particularly interested in the remarks of the hon. member for Cumberland (Mr. Coates), knowing as I do that his area is affected by this problem of a ferry service as is the constituency of the hon. member for Digby-Annapolis-Kings (Mr. Nowlan). I was interested in the various points of view and considerations put forward by the hon. member. However, in view of the need of that particular area for transportation I think that the possibilities of the Hovercraft are substantially better than those of the hydrofoil. Each of these types of conveyance has the drawback that it cannot carry a great amount of weight and, as the hon. member has said, one of the real needs between the Annapolis valley and the Parrsboro-Amherst area is for transportation that can handle trucks and a large amount of freight. The Hovercraft does have the advantage over the hydrofoil that it can operate irrespective of extreme tidal conditions such as prevail in that area.

Transportation across the narrow strips between Cape Blomidon on the Annapolis valley side and the Parrsboro shore on any regular basis has been suspended since before the war, but the transportation that was provided then in the form of a small car ferry would not solve the real need at the present time because I believe the previous ferry could only carry seven or eight cars. This area is considered as one of the potentially great tidal power development areas of the North American continent. The vast amount of water that comes in and goes out

of Minas basin twice daily passes through the narrow gut between Cape Blomidon and Parrsboro with terrific force and it is generally accepted that this could be converted into a tremendous amount of power by a very extensive undertaking of the Passamaquoddy type. However, if that is ever done, that in itself might solve the transportation question across this stretch of water, because a road could be built across any such dam.

In the meantime, I cannot help but recall that Cape Blomidon was supposedly the home of Glooscap, a god of the Micmac tribe which inhabited Nova Scotia. I recall from my school days that he supposedly created two islands by throwing some earth at a beaver that was swimming by. The islands are there now in the bay of Fundy. If Glooscap really existed today, he could probably solve our problem very quickly. Unfortunately, this is not the case, so for a moment we might consider the area that would be served by truck and car transportation across this body of water.

In my view, it would not be of assistance or benefit to the metropolitan Halifax area since the route to Amherst by the main highway through Truro would be a much quicker route than travelling through the Annapolis valley. I think the only transport that would be affected would be the cars going from the Annapolis valley to the Cumberland area. Contrary to what the hon. member for Cumberland (Mr. Coates) has suggested, this transport would involve no fish products whatever, but agriculture products would be helped if efficient transportation could be provided across this body of water.

In the days that have gone by, investigations have been made into the possibility of a conventional ferry service across this body of water. The problem has always been the cost of wharfage, and this problem arises as a result of the extremely high tides, probably the highest in the world, existing in the area. The cost of wharves would be $6 million or something in that vicinity, whereas the ferry itself would only cost a little over a million dollars. The total cost of this project would thus be in the vicinity of $7 million, and it has never been considered warranted in view of the amount of good this money could do if applied elsewhere to maritime transportation problems. I would comment that if this were the situation today, Mr. Speaker, the higher expenditure of $6 million or $7 million which the hon. member for Cumberland is proposing, would leave us in the same position, where the service would not be warranted, worthy as it is, in so far as the immediately adjacent areas are concerned.

[Mr. Regan.]

A Hovercraft service, while it would have a limited possibility in serving truck transport, would nevertheless represent a small investment in wharfage facilities. At any rate, it would probably be the answer to the question of automotive transport and small freight transport in this area. Unless it could take a substantial number of cars, there would be little in way of passenger traffic between points involved, because anyone going from the Annapolis valley, where the towns are spread out, into the Cumberland area, where they are again spread out, would likely be travelling by motorcar. I understand that the latest developments in Hovercraft would enable a reasonable number of cars to be carried across this body of water.

I think, therefore, that the suggestion made by the hon. member has some merit in this respect. It is, of course, not original at this time by any means, because the government of Nova Scotia has been exploring the possibility of a Hovercraft service. In this regard, I might say that since the areas that would be served are entirely within the province of Nova Scotia and the route would be, in essence, an extension of the highway system of that province, it would seem only reasonable to expect the province to participate in the cost of such a service. These few remarks, Mr. Speaker, represent my thoughts on this subject. I do say that the Annapolis valley is today an area of considerable prosperity and with the mixed farming that has developed in that area, the question of getting produce to market or obtaining a new market is of importance. If this ferry service could be established it would enable fresh products from the valley to be moved economically to places in the Amherst and Moncton region, and certainly that would be a step in the right direction. I feel, therefore, that this motion does have merit.

Mr. G. Roy McWilliam (Northumberland-Miramichi): I feel I should say a few words with regard to this motion by the hon. member for Cumberland (Mr. Coates). As preceding speakers have said, I feel there is some merit in what he has proposed because transportation in the maritime provinces has, I think, placed us at a disadvantage. I am thinking of purely local areas. However, in so far as the desire for transportation facilities is concerned, there is always the problem of cost involved. In most cases, this is the deciding factor in relation to whether or not the facilities will be provided.

The hon. member for Cumberland gave us the historical background of this Minas basin ferry service. I do not know how many members of the house are familiar with the topography or the geography of the Minas basin area of Nova Scotia. I suggest it would shorten the route if you entered the province of Nova Scotia at the New Brunswick border, at Sackville. If you wanted to go into the Annapolis valley, it would shorten the route by some 100 miles if the service were reinstated from Parrsboro to Wolfville. I believe it is true to say that, not only in the maritime provinces but everywhere, distances have not the same implication today that they had in days gone by.

I am sure that even if the Parrsboro ferry service were in operation today, unless one wanted the experience of going across the Minas basin, it is doubtful if he would take the ferry. The main reason for the trip by ferry would be to see the scenery around the Minas basin, but one could see this scenery if he were to travel by car. I think this is true particularly of the tourists. I do not believe the tourists would take the ferry if they came to the Minas basin, as they generally like to see the countryside through which they are motoring. I do not see a great deal of appeal in it for the tourists, particularly the tourists coming in from Bar Harbour or Saint John because they must cross the bay of Fundy to make the mainland of Nova Scotia, and I know that if they are proceeding to Truro or Cumberland county in Nova Scotia they would not care to embark on another ferry trip, when the distance around the basin is only about 100 miles.

As I listened to the hon. member speaking about the new types of transportation, such as the hydrofoil, the question occurred to me, is this really the type of transportation that is needed? If it is to be of any benefit the type needed is something that will take trucks and motorcars, and I doubt if much benefit would be derived from a purely passenger or light freight service. In that respect I think this whole thing should be given a great deal more consideration.

I would like to see a proposal coming from the government of Nova Scotia because the ferry service is within the provincial boundaries of Nova Scotia. If the province cannot finance it, then I think it should make some proposal to the federal government.

I believe that in prior debates this project was mentioned as something to which the Atlantic development board might give consideration. I do not know whether that board has come up with any suggestion. I do not even know if it has studied the matter; probably it has not because I think it would not have priority among the projects that are presently being considered by it.

I have no desire to block this motion. Actually it only asks the government to give consideration to the project. I do not see anything wrong in giving consideration to it, but I do feel much more study should be undertaken to decide the right type of ferry service that should be provided across the Minas basin, and to determine whether the expenditures would warrant it.

I do not know anything about these hydrofoil, or Hovercraft, but I would imagine that if they are the type that can carry trucks and motorcars they would be very expensive. Another expense involved is the building of wharves and ground development for a day and night service, which would be very expensive, considering that the tides run 30 feet high in the bay of Fundy. I know that the hon. member for Halifax (Mr. Regan) quoted something like $6 million or $7 million.

I suggest that this matter be thoroughly studied. As I said before, it is the prime responsibility of the government of Nova Scotia, and if representatives of the provincial government, the Atlantic development board and some people from the federal scene got together, then maybe a solution to this Minas basin problem might be found.

Hon. J. Watson MacNaught (Solicitor General): Mr. Speaker, I understand there are some other members from the maritimes who would like to express their views on this very important motion, particularly the hon. member for Shelburne-Yarmouth-Clare (Mr. Armstrong) who unfortunately is out of the house at present attending one of the committees which has to sit at this time. Therefore I move that the debate on this very important notice of motion be now adjourned.

The Acting Speaker (Mr. Batten): Is it the pleasure of the house to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to and debate adjourned.

LEGISLATION

SUGGESTED OFFICER TO EXAMINE PUBLIC COMPLAINTS

Mr. D. M. Fisher (Port Arthur) moved:

That, in the opinion of this house, the government should give consideration to the creation of an office of parliamentary counsel, with objectives and manner similar to the office of ombudsman used in Scandinavian countries such as Sweden and Denmark, for the purpose of examining grievances of Canadian citizens which arise in

their relations with the administration of the federal state in Canada, and reporting on the merits of these individual grievances to this house.

He said: Mr. Speaker, I see we have 22 minutes to devote to this topic, and I do not know what can really be resolved in that brief time. Just before the sunny Secretary of State departed from the chamber he told me he was in support of this motion personally, but of course he was not speaking for the government.

This subject has been a matter of some discussion for the last several years. I think I first put it on the order paper four sessions ago, but this is the first time there has been an opportunity to debate it. I do not know how important hon. members view it, but I fastened on to the conception because of a number of cases I encountered as a member of parliament and about which I was unable to do anything. I felt the administrators had gone as far as they could, but the individual citizen who had a complaint was still aggrieved and felt his grievance had not been handled impartially. In essence that would be the great advantage of creating this kind of office.

As I say, discussion of the subject has gone on in a lot of journals. Professor Rowat of Carleton University has written a number of articles about it, some in the popular magazine *Maclean's*, some in the public administration periodical, and in the Canadian Journal of Economics and Political Science.

Recently New Zealand has adopted the public defender plan. It is on the statute books of that country and is working. The British have examined the matter through a couple of non-partisan committees. The Conservative and the Labour party have groups studying it, and I have here a report which says the Conservative party in Great Britain indicates general acceptance of the idea. The unofficial group in England that has made a thorough report on it was called JUSTICE. There is a committee formed, largely of people with both political and legal experience who are concerned over the fact that discretionary powers allotted by statute to various boards and agencies have led sometimes to a conflict between individual citizens and the boards or agencies, with an inadequate form of redress or an inadequate form of appeal.

Very recently the royal commission on government organization in its report No. 5 had some statements to make on this very subject. On page 94 the commissioners write:

> In addition, because of the growing need for ministerial attention to the difficult problems of policy and the general direction and co-ordination of its execution, the public's recourse to ministers of the review of official acts and redress of minor grievances become less satisfactory. Moreover, because the minister is held politically accountable for all actions of his subordinates and it is the practice in party strife to make issues of such matters—however trivial—the minister may too often be impelled to defend official conduct when the real need is for a remedy.

To my Conservative friends I would like to point out the bad situation that was gotten into a few years ago by the then hon. member for Peel in connection with some property at Malton, vis-à-vis George Hees, who was then minister of transport, and the fact that you had the minister in essence denying one of his supporters. There was complete confusion. I believe we had a vote of confidence in this house. We certainly had an issue that was sparked by and interravelled with partisanship on the very kind of issue that would never have been raised if the people with the grievance, the citizens with the grievance, had had a grievance commissioner instead of depending upon their member of parliament. I continue reading this report:

> On questions of policy, public and parliamentary recourse to ministers is appropriate and necessary. But when what is at issue is a complaint relating to administration in the public service, more effective channels for public and parliamentary challenge may be devised.
>
> To weigh the urgency of these problems, and, if need be, to devise solutions are the tasks of others. Your commissioners wish only to suggest that, should new safeguards be judged necessary, they may be sought in all three of the historic branches of government. First, the role of the courts in checking the excess of official powers and in providing redress of official wrongs against the subject, may repay examination. Second, in the executive branch itself, there may be greater opportunity for the use of formal processes of inquiry, in which the principles of natural justice are observed, either in reaching or in reviewing administrative decisions that affect the rights and obligations of the citizen.
>
> The third course lies in parliament itself. Procedures might be developed for the closer scrutiny of statutory instruments—the orders in council and regulations by which statutory powers are elaborated and applied. Your commissioners have also noted the growing interest throughout other parliamentary countries in the office of parliamentary commissioner, modelled, with variations, on the long established Swedish ombudsman. The notable success with which this office has been adapted to the needs of the parliament of Denmark, the recent report by a group of eminent jurists in the United Kingdom, the enactment of legislation to establish a parliamentary commissioner in New Zealand, and the creation of machinery for a similar purpose in the United States, all suggest that the parliament of Canada may find here a means of bettering its defence against administrative defects in the public service.

I would like to point out that the *Gazette* reported, on May 23, 1963, this dispatch from Ottawa:

> The government suggested Wednesday that parliament itself make the decision on whether to establish special machinery to protect the little man from bureaucrats.
>
> Justice Minister Chevrier said in the Commons its rules committee might study suggestions of

creating a parliamentary commissioner or ombudsman, such as they had in some Scandinavian and other countries. The ombudsman is an official appointed by a legislature to investigate complaints from the public of cases of alleged high-handedness by government officials. Sweden has two of them, one dealing in civil and the other in military law.

I would like to point out that we have had in Canada, and are still having, as the result of the actions we take here, a proliferation of agencies and boards which operate in areas that affect citizens, particularly with regard to licenses and applications, and which are at arm's length from ministerial control; that is, from political control. It seems to me this is particularly the kind of agency in regard to which grievances develop. I always remember one man down in Kingston who has a bit of inventive genius. He developed a particular kind of helicopter. He was satisfied that it was an excellent helicopter, that it would fly, that it had a number of radical provisions in it that might be of much greater use. But he could not get any certificate of airworthiness, or even freedom to test the craft in the proper kind of circumstances, from the inspectors of the Department of Transport; and he was not able to get any satisfaction at all from any of the normal licensing agencies. He took the matter up with the department, through the minister, and could not get any kind of consideration. Finally he took it up with a whole host of members of parliament through some kind of circulating letter. When enough of us had raised Cain about it, finally something was done.

I have another example with regard to what has happened in my own constituency. There was a lady acting as a matchmaker for her brother, and a friend was brought out from Italy. The arrangement was that her brother and this girl would be married when she got here. The girl arrived here, and for various reasons decided not to go through with the wedding. The prospective sister-in-law was outraged at this and demanded that the government carry through the normal immigration procedure and return the bride, who did not want to be a bride, to Italy. Various pressures were applied. There were very large families involved on each side in this matter, families that spread their networks out to Winnipeg and down to Toronto, and you had a situation wherein the minister and his officials were being bombarded and pressured by M.P.s from those areas, and with private representations; we even had mayors getting involved in the deal. Finally the minister, with all this pressure—and I do not blame the minister of the time—postponed any decision on it and just let the situation ride. This particular lady felt, and still feels, that she has a considerable grievance in that the law and the regulations of Canada did not apply in this case. This is the kind of case, I suggest, where this lady will never get it out of her head that she had been cheated, and cheated by her government, and her family has been held up to ridicule of a permanent kind that can only be settled by some kind of grievance procedure and some kind of person who is completely detached from both the ministerial framework and the influence of those of us who are politicians.

I do not feel there would be any tremendous number of cases right off the bat. I think every hon. member knows that each one of us will get letters from cranks in our constituencies and also from across the country. We know the kind of person who is always feuding and spatting with government agencies, particularly with the unemployment insurance commission or the workmen's compensation board in the province. It is all very easy to put a lot of these people down as cranks and write them off. But so often this tendency should be slowed up by a realization that you only need one case where there is real merit to make you see that these kind of people should at least have their opportunity.

I think the ombudsman would certainly apply. It is apparent that the British, in considering this matter, have felt that the whole question of ministerial responsibility and the joint responsibility of the cabinet has been a factor in their particular parliamentary set-up which would stand in the way of giving a parliamentary commissioner, a grievance commissioner, in Britain the kind of powers he has been given in the Scandinavian countries. This may very well be so; but we need to define the problem much more clearly. This is really what the motion suggests. We need to pinpoint the kind of things that a grievance commissioner could do. Professor Rowat points out, in effect, that the grievance commissioner could be the Auditor General for, you might say, civil and administrative matters as distinct from bookkeeping, cost and expenditure matters. I think that is a good comparison in that I do believe this person should have the freedom that the Auditor General has, to report to this house, rather than to any special minister. If we had such a parliamentary commissioner reporting to parliament and his report being dove-tailed in with a permanent house committee which met regularly every year, I believe you would really give many people in Canada the feeling that there was, in grievance matters concerning the administration, a court of last resort which would be extremely fair.

Proposed Office of Parliamentary Counsel

Beyond that, Mr. Speaker, there is not much more I want to say in case other hon. members would like to express opinions. I have a great deal of material on the matter. It is my impression that both editorial comment and the general feeling among people in politics are relatively favourable to this idea. It seems to me that what we need to know definitely, and I think it is up to both parliament and the government to find it out, are the limitations we should look for in this kind of office in Canada, so as to produce some concrete proposals as to the kind of legislation which would be required. I hope this study can be undertaken fairly soon, certainly within this parliament. It seems to me that one of the real things which will complement the bill of rights, and in a sense give the bill or rights a great deal of significance which it does not have at the present time where the private citizen is involved, in his relationship with the federal government, is this kind of office of a parliamentary grievance commissioner.

Miss Pauline Jewett (Northumberland): Mr. Speaker, I am very glad indeed that the motion the hon. member has had on the order paper for a very long time, and which I gather from his remarks today he has brought forward for several sessions now, has come up for debate today, even though I will not have very much time to discuss it. I am afraid other hon. members will be in no better position since it has come on, so to speak, only at the last minute.

The main credit for popularizing the idea of an ombudsman in this country should go, as the hon. member suggested, to Professor Rowat of Carleton University, who did a very extensive study, during the course of a tour of Europe on a Canada council fellowship, of the practice in the European countries which have an ombudsman, and who has published a good many of his findings. The hon. member for Port Arthur (Mr. Fisher) did not mention—so I thought I would, in case other hon. members are interested—the most comprehensive of Professor Rowat's articles, which is the one to be found in the November 1962 issue of the Canadian Journal of Economics and Political Science. There has also been some writing on the subject by other academics. The hon. member for Rosedale (Mr. Macdonald) has just told me that the former member for Rosedale of some years ago, Charles Henry, Q.C., has been taking the initiative on behalf of the Ontario section of the Canadian Bar Association in studying the possibility of introducing the ombudsman scheme to Canada. It is of course, appropriate both at the federal and at the provincial level.

I have not time to go into the history of why such a parliamentary commissioner is necessary. Suffice to say that, with the great growth in discretionary powers at the administrative level of government, there has been a lot of feeling for some time that there should be some way by which the citizen could question by way of appeal the fairness, possibly even the reasonableness, of decisions which are taken in relation to him. We do not have a system of administrative courts in this country. We have the income tax appeal board, which is a type of court, but we do not have too many bodies like this. Even in those cases where we do, there are lots of grievances and problems which citizens have, which for one reason or another can never be brought before these tribunals.

Some European countries which already have a system of administrative courts have also felt the need for a parliamentary commissioner or ombudsman who would be the spokesman or the grievance commissioner for the average citizen. It is not, of course, the complete answer to the problem of the control of discretionary powers. As the royal commission on government organization pointed out, much more needs to be done both within parliament and within the administrative process itself, to try to bring us up to date and to ensure democratic control over administrative discretion. But I do agree with the hon. member that an ombudsman or a parliamentary commissioner or commissioners—I think Professor Rowat suggested that a commission of three would be appropriate in this parliament—should be set up.

The committee on procedure, which has already been established and which, I would hope, will be re-established in another session, will be taking under consideration—again I hope—the possibility of establishing an ombudsman or a comparable officer in this parliament. Indeed, if this is done, the committee should hold public hearings for those of us in parliament who would like to speak much more fully on this matter than we have time for today, and for those academics, lawyers and interested groups in society generally to present their views on the matter. I should think that a thorough series of public hearings would prove extremely useful before initiating a scheme like this; and as I say, I hope that if we go into a new session the committee on procedure will be set up again and will carry out this investigation.

In the meantime, may I make one suggestion to hon. members, and that is that they collect the major types of grievances they have received from their constituents

and build up a file of them. Because in the United Kingdom one of the reasons the ombudsman scheme has tended to be shot down is that they have said there: You have not given enough specific examples of what an ombudsman would do; there have not been detailed grievances specified where citizens have suffered at the hands of the administrative process. I suggest it would be unfortunate if that were to happen here, because I am sure that I, as well as the rest of us here, have many illustrations of cases where individuals have a genuine grievance vis-à-vis the administration, and we will undoubtedly find more during the recess. I hope it will be possible for this matter to be discussed formally at hearings before the committee on procedure, and that all members of parliament will take an interest in this new parliamentary institution. I suggest that we leave it there, for the moment at any rate, and if all is well the decision to do something about it may well be made, and should be made, in the fairly near future.

The Acting Speaker (Mr. Batten): It being six o'clock the hour for consideration of private members' business has expired. 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.

PUBLIC SERVICE

AMENDMENT RESPECTING SALARIES OF CERTAIN PUBLIC OFFICIALS

Hon. J. W. Pickersgill (for the Prime Minister) moved the second reading of Bill No. C-128, to amend the Canada Grain Act, the Financial Administration Act, the Income Tax Act, the International Boundary Waters Treaty Act, the National Energy Board Act, the Railway Act, the Salaries Act and the Tariff Board Act with respect to the salaries of certain public officials.

[*Translation*]

Mr. Gregoire: Mr. Speaker, I should like to make a few remarks before this bill gets second reading.

[*Text*]

Mr. Jack Davis (Parliamentary Secretary to Prime Minister): The purpose of this legislation is to bring salaries prescribed by statute into line with those now paid to judges and proposed to be paid to senior civil servants, including deputy ministers.

Hon. George C. Nowlan (Digby-Annapolis-Kings): Many of these amendments concern matters to which we have given consideration in the past and I think that on the whole they commend themselves to the favourable consideration of the house.

One could make long and prolix speeches, if he wished, about the services rendered by these various organizations. I am thinking particularly of the tax appeal board. I think the Minister of Finance (Mr. Gordon) might give some consideration to the reorganization of that board so as to place it more or less on a permanent basis, similar to that of the courts. After all, when this board was first established it was set up to deal with petty and minor income tax cases. Now it is dealing with cases involving very large sums. I have been conscious, ever since the days when I was connected with the Department of National Revenue, that careful consideration should be given to this particular board. I am sure the same applies to many of the other boards we are considering tonight, and without taking the time of the house further I wish to express support for the principle involved, as far as we are concerned.

It is, of course, for the government to take responsibility for the amounts of the increases recommended. We are prepared to accept the principle that there should be increases in the salaries paid to the members of these various boards and corporate structures. I deplore the fact that in doing so it should be necessary to amend five, ten or 15 statutes at a time, on the basis of one bill. When I was practising law—and perhaps, one day, the Secretary of State will himself be practising law in Bonavista-Twillingate—I was conscious that when considering a bill which set out to amend some 15 statutes, an advocate did not know where to turn or what to do. However, I realize that where the primary and, it seems, the only concern is with the salaries paid, there is scarcely any alternative open and we are prepared to accept it. It is a practice which all governments have followed; we followed it, too, though some of us regretted the practice. I think the principle involved here is sound and to be commended to the house.

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, we notice that this bill requests a salary increase for a number of people employed in the civil service of Canada. When the persons concerned are competent, we do not object to their obtaining a salary increase, but in the present case, an increase is requested for many classes of employees and I

must say that we, in this corner of the house, object to clause 3 of Bill C-128.

We would rather have a distinct bill; we would have liked that clause 3 be taken out of this bill, that is as far as the salary increase for the chairman of the income tax division is concerned.

Among all the civil servants, he surely is the last one to deserve an increase; he would rather deserve a kick in the pants, as also those responsible for income tax in the province of Quebec, especially.

It was established last year that it was the least well administered of all the federal departments' divisions.

Tax inspectors go around in rural areas, conduct so-called inquiries into charity receipts and declare their inquiries over without having even consulted with the persons concerned. They reduce the amount of charity receipts, especially in the province of Quebec, and then they write the taxpayer: "Dear sir, you have produced charity receipts to the amount of $500 but, on inquiry, we can allow $250 only." What an inquiry. They have not even seen the person concerned. That is the way things are done by those income tax officers.

It is proposed to increase the salary of the chairman, the assistant chairman and the other members of the income tax division. This means that, afterwards, the salary of the other employees of that division will be also increased. We cannot agree to those increases in salaries; as to the other cases, it is all right, but not these, we cannot agree.

Those persons whose salary we are now asked to increase show an unwarranted zeal in the province of Quebec, and everywhere else in Canada, so as to make themselves noticed. Inquiries are made on small merchants and small businessmen, every record is investigated, every small detail is looked into in the hope of finding something wrong. And often, after a two or three week check, an error of $10 or $15 is found.

It is the small businessman who will then have to foot the bill.

That is what we cannot accept, Mr. Speaker. In the long run, it is always the small businessman who is hounded by those officials of the income tax divisions whose salaries it is now proposed to increase. Members of the income tax board prepare a case against Canadian citizens and hand down a sort of judgment without too much investigation. If the citizen is not satisfied, he is the one who has to appeal the judgment. However, since he is not familiar with the law, he does not want to get involved in a costly appeal of the decision of those officials whose salary is to be increased. He merely grumbles against the Income Tax Act and the people who enforce it, namely those for whom we are considering a pay boost.

It is for that reason and many others, because the members of the income tax division are far from giving satisfaction to the Canadian taxpayers that we are against any pay increase in their case.

We would even say that their salaries should be reduced. That is why, when we come to section 3 of the Bill No. C-128, we intend to move an amendment to reduce the salary of the chairman, the assistant chairman and the members of the income tax division.

It is my feeling that they have shown themselves unable to put themselves at the same level as the general public.

As the hon. member for Villeneuve (Mr. Caouette) stated, they behave like extortioners of taxes. That is why, especially those who head that division, who give orders such as those received these days by inspectors with regard to receipts for charitable donations, do not deserve any salary increase, but rather a decrease.

The parliamentary secretary who is the sponsor of Bill No. C-128 should withdraw clause 3 from it so as to make a different bill. If he were to do so, I am convinced that all members of the house would be glad to consign it to oblivion.

If we compare the salary of those gentlemen which is to be increased, and those paid to persons who perform their duties much better, like interpreters, translators and house reporters, it is readily realized that they are out of all proportion.

Those are the remarks I wanted to make at this time. I reserve the right to move an amendment in that connection when we come to section 3.

[*Text*]

Hon. J. W. Monteith (Perth): Mr. Speaker, if I may add one word it seems to me that the hon. member is under a misapprehension. As I understand the bill, it has reference to the income tax appeal board and really has nothing to do with the administration of the taxation division, which comes under the Minister of National Revenue. I can only say that if that department has fallen apart I did not think it could fall apart so quickly because, after all, it was very well administered under the last two ministers.

Mr. Heath Macquarrie (Queens): Mr. Speaker, for a minute or two I should like to direct the attention of the house to one aspect of the bill. The hon. member for Digby-Annapolis-Kings (Mr. Nowlan), with his usual lucidity, has spoken for the party and I agree with what he has said. I am concerned about the continuing disparity in the salary paid to

the lieutenant governor of Prince Edward Island. Of all the provinces, I see that the lieutenant governor of that province is in a separate category. If I may make a confession, over the last six years I pleaded and endeavoured to cajole and argue with the former minister of finance, not the member for Digby-Annapolis-Kings but his predecessor, to no avail, and now it would seem that this legislation will not only continue the disparity but will enlarge it.

I do not see that there is any principle proclaiming why one province should be singled out. I will not argue the merits of the case at this stage. I could point out that Prince Edward Island is heading for one of the greatest celebration years in its history. I could point out too that there is probably no province in the country in which the citizenry are in closer contact with government house than in Prince Edward Island. I am sure the Solicitor General, my colleague from Prince, would agree with that.

It is the matter of principle I am concerned about. The salaries obviously are not on a per capita basis because you would not find British Columbia and Newfoundland in the same category. I as a private member cannot initiate steps to remedy this, but I appeal to the sponsor of the bill and the government. I am not saying whether they should bring the others down or put the province of Prince Edward Island up, but I do not see any justification for this discrimination. I never did get a satisfactory answer from the former minister of finance, and I am still alarmed and disturbed at this continuing discrimination.

I will not argue about the relationship of the provinces of Ontario and Quebec to the others. If it were not the yuletide season I would even argue about that; but with regard to the other eight it is most disconcerting to me to find the province of Prince Edward Island placed in a separate and lower category than the others. This is improper, and I would appeal to the government to rectify the error. I do not know how it came about. Perhaps the Secretary of State or the parliamentary secretary can give us the historic background on this seeming discrimination. I am very proud of the fact that in the face of many provinces having surrendered the official residences of their lieutenant governors Prince Edward Island, a small province, has through the years maintained its beautiful government house. It was not easy for a small province to do that. So I would hope that in a gesture of appreciation therefor, and of justice long delayed, my suggestion will commend itself to the government. Apart from that I have no criticism to make of the legislation.

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, in clause 1 provision is made for increases in the salaries of the members of the board of grain commissioners, but as far as I can see no provision is made for the members of the Canadian wheat board. In the newspapers today there was a reference to the increases for the members of the board of grain commissioners and all the others included in the bill, but no mention was made of the Canadian wheat board. I have in mind Mr. McNamara, Mr. Riddel and the others. I should like to have an explanation.

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, since I moved the motion I imagine if I speak now I will close the debate.

Mr. Deputy Speaker: Order. I must caution the house that if the minister speaks now he will close the debate.

Mr. Pickersgill: First of all, while I am answering the question off the top of my head, I am pretty sure that the salaries of the chairman and officers of the wheat board are settled by the wheat board itself and are not fixed by statute. I notice that the hon. member for Winnipeg North Centre (Mr. Knowles), who knows more about this than I do, is nodding his head in approval.

The purpose of the bill is to deal only with officials' salaries which are fixed by parliament. Most senior officials' salaries are fixed by the governor in council. The salaries of the senior officials of crown corporations are usually fixed by the crown corporations, sometimes with the approval of the governor in council. I was assured when the bill was recommended to us for presentation to the house that it covers all the salaries that parliament fixes, except the salary of the chief electoral officer which we dealt with in a bill that was before the house earlier today. I think that is the reason.

With respect to the observations made by the hon. member for Lapointe (Mr. Gregoire), and I think I can understand why he was under a misapprehension, this bill has nothing to do with the people who collect income taxes. It refers only to the income tax appeal board, to which a taxpayer can appeal if he thinks he has been unfairly treated by the income tax authorities. I would think that if the hon. gentleman has the view he has of the income tax collectors, which I must say I do not share, he should be glad to have an appeal board with good men on it to see that justice is done.

Mr. Gregoire: I should like to ask a question of the Secretary of State.

[*Translation*]

Since the section may be ambiguous, would the Secretary of State be willing to add:

the chairman of the appeal board.

[*Text*]

Mr. Pickersgill: I would think that would be a proper thing to do, once I was sure I had the right title in both English and in French. I should be glad to do that when we get into committee. I hope there will be somebody who can give us the necessary designation so that it can be put into the bill.

Mr. Knowles: Before the minister makes one of those commitments, had he not better see what the language of that section is, and where it will be in the act?

Mr. Pickersgill: That is right. I hope that someone who is a more competent draftsman than I am will be available when we get into committee. However, since we appear to be in committee in spirit, perhaps I should conclude my observations so that we can go into committee.

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

The Chairman: Shall clause 1 carry?

Clauses 1 and 2 agreed to.

On clause 3—*Salaries.*

Mr. Pickersgill: Could clause 3 stand?

[*Translation*]

Mr. Gregoire: Mr. Chairman, the parliamentary secretary to the Minister of Finance (Mr. Benson) lent me a copy of the Income Tax Act. Now, section 86 of the Income Tax Act which is mentioned in Bill No. C-128, as pointed out a moment ago by the Secretary of State, stipulates that it is the "income tax appeal board".

I therefore note that the director or the officials of the taxation division or still the extortioners of taxes, as they are commonly called, are not involved but simply the chairman of the income tax appeal board. Consequently, I admit that I made a mistake, but I must give explanations. We had been told that not too much importance was attached to this legislation and I did not take the trouble of referring to the statutes to see what section 86 dealt with.

However, I repeat the remarks I made a while ago, concerning the director and official of the income tax division, and we shall resume when the estimates of the Department of National Revenue are introduced, within a few days.

[Mr. Gregoire.]

In the meantime, Mr. Chairman, I shall withdraw the amendment I put forward.

Mr. Martineau: Mr. Chairman, as concerns article 3, I simply wish to point out it is time the salaries of the president and other members of the tax appeal board be increased, for I am advised the departmental solicitors who plead before that tribunal receive fees or salaries higher than those of the members of the board. Needless to say I am not speaking about solicitors who represent clients before the board, for they must get very high fees as compared to the salaries of the members of the board.

Mr. Chairman, I should also draw the attention of the house to the fact the members of that tribunal sometimes have to decide cases involving amounts up to $100,000 and even $1 million when, for instance, the cases have to do with estate tax duties.

Besides, the members of the board have to judge extremely complex cases of a technical and specialized nature, and after a few years, they become experts in their field. Now, under the present act, the members of the board are appointed for a ten-year period only, and their appointment may not be renewed, so that the experience they have acquired will be lost, at least as far as the state is concerned. Consequently, I feel that the government should not only increase their salary, but also consider seriously the proposal for making of the income tax appeal board a regular state court; its members would have the same status as the judges of the exchequer court, and they would try cases in a completely independent way, with the power and the dignity suitable to magistrates who judge such important cases.

[*Text*]

Mr. Pickersgill: I shall certainly draw the hon. member's views to the attention of my colleagues.

Clause agreed to.

On clause 4—*Salaries of Canadian commissioners.*

[*Translation*]

Mr. Pigeon: Mr. Chairman, I only have a word to say. I am in favour of increasing the salaries of the members of the international boundary waters commission as long as the commissioners publish as soon as possible their report, in order to hasten that great project, the Richelieu waterway, so that it could be completed by 1967, date of the confederation centennial.

If the Secretary of State could assure the house that he will be our spokesman in asking members of the commission to make

haste, we shall be happy to endorse the increase of those salaries.

[*Text*]

Mr. Pickersgill: I am sure the minister of northern affairs has listened attentively to what the hon. gentleman has said. I promise that when the Secretary of State for External Affairs returns from Paris, the first thing I will do will be to draw his attention to the hon. member's remarks.

Mr. Pigeon: The only reason for making these remarks now is that we know very well on this side the leader of the house runs the government.

Clause agreed to.

Clauses 5 and 6 agreed to.

On clause 7—*Salaries of lieutenant governors.*

Mr. Macquarrie: I hope it is not necessary to make lengthy and contentious interventions in order to draw a response of any kind from the sponsoring minister. I would be interested in hearing the comments of the Secretary of State who used to evince quite an interest in our province in the days when we had no Liberal members from that province, on the matter which I raised a moment ago.

Mr. Pickersgill: I can point out, sir, that the relative situation, I believe, is improving. The gap between the salaries of the lieutenant governor of Prince Edward Island and of the other lieutenant governors is less than it used to be. However I shall draw the eloquent plea of the hon. member for Queens to the attention of my colleagues. It may be that on another occasion, particularly after the causeway has been completed and the population augmented, his views will prevail.

Mr. Macquarrie: I should not like to see, Mr. Chairman, my poor eloquence compared with my friend's, but on the basis of mathematics I have the impression that the difference is greater. It used to be $1,000 and now it is $2,000, and I cannot see that that is narrowing the gap.

Mr. Pickersgill: The proportional difference is better.

Mr. Knowles: Maybe the hon. member for Queens could achieve his desire of equality among the provinces if he would move that the salaries of all the other lieutenant governors be reduced to that paid to the lieutenant governor of Prince Edward Island. I am sure he realizes as a private member he could move that. I suggest that he do it, and I will support it.

Clause agreed to.

Clauses 8 and 9 agreed to.

Bill reported, and read the third time and passed.

NATIONAL CENTENNIAL ACT

AMENDMENTS CHANGING NAME, ENLARGING MEMBERSHIP OF ADMINISTRATION, ETC.

The house resumed from Thursday, November 21, consideration of the motion of Mr. Lamontagne (for the Prime Minister) for the second reading of Bill No. C-107, to amend the National Centennial Act.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, this bill and the resolution preceding it were before us on November 19, 20 and 21, on which day I had the pleasure of adjourning the debate because I rejected the suggestion of two hon. members on the other side that two minutes would suffice for anything I might have to say—although I was in a very co-operative mood then, and had I been given an opportunity to speak the bill might have passed second reading. That opportunity was not afforded me.

Since that time I have examined the bill with very great care and I have carefully read over the debate up to this point. I have also read the debate on the national centennial bill of two years ago, the confederation debates, and the debates in the British house of commons at the time of the passing of the British North America Act—

Some hon. Members: Hear, hear.

Mr. Churchill: —and I have refreshed my memory with regard to the history of our country. I find it rather odd that two years ago, in 1961, the house accepted very favourably the proposition then before it, namely, the setting up of the National Centennial Council. The people who were then in opposition and who are now on the treasury benches spoke very favourably of the suggestion that was advanced by the prime minister of that day. The present Prime Minister (Mr. Pearson), the Minister of Transport (Mr. McIlraith), the Minister of National Health and Welfare (Miss LaMarsh) and the hon. member for Hull (Mr. Caron) all participated in that debate two years ago and found nothing at all wrong with the bill.

At that time the present Prime Minister said:

> A centenary is a...momentous occasion in the history of a state.

He went on to say:

> Our nation will soon be celebrating its one hundredth birthday anniversary.

The Minister of Transport used the phrase, "at this point in our national progress," and the Minister of National Health and Welfare spoke about, "the beginnings of our nation when we celebrate its one hundredth birthday." The hon. member for Hull used these words:

> All the politicians put aside party feeling to bring forth the fullest national unity possible.

That was the spirit two years ago with regard to the celebrations we hope to hold in Canada in 1967. There was no dissenting voice. There was no niggling objection to the use of any word. It was only this year, in 1963, that we discovered there were some objections, and so the government introduced a resolution followed by this bill, to make certain changes.

Strangely enough the people who have spoken on behalf of the government in the debate up to the present have been the President of the Privy Council (Mr. Lamontagne) the hon. member for Hamilton West (Mr. Macaluso) and the hon. member for Lotbiniere (Mr. Choquette). The resolution stood in the name of the Prime Minister. In view of what he said in 1961 I would have thought he would have taken the resolution and the bill through the house on this occasion, lifted the debate to the high level that pertained two years ago, and drawn the attention of the Canadian people to our great history and the celebrations we hope to hold in 1967, with a look to the future. There was a chance for great leadership, such as was shown in 1961; but this year, 1963, the Prime Minister did not participate, has not participated up to this point; and I wish he would.

He left the job to the President of the Privy Council who introduced the resolution and the bill without any lift to the spirit at all. He pretended that only minor amendments were being made, which led the Secretary of State on to say that it was just an exercise in semantics. Consider the irresponsibility of a government bringing an exercise in semantics before the House of Commons.

I thought the President of the Privy Council was rather careless in his handling of this whole problem. He drew our attention to the fact that certain changes were desirable in the translation into French, and he said that those changes could have been made by the former administration. I ask him, why could those changes, to which we raise no objection, not have been made in the French version, if it was inaccurately translated originally, as he stated, instead of making a major change in the bill and, through his casual introduction, stirring up discord on a matter which should have no element of discord in it? Why could he not have done that, when what we are talking about is our country, our native land, the birth of our nation; and I am using the word "nation" in the sense in which people of English speech use it? We got the word from the French and it came originally from the Latin. There may be other meanings to the word nation but with us we consider it, and have done so for a long time, as the designation of a political entity covering an area, and all the divers peoples who are united together in that political entity.

Why could not the president of the council, when pointing out to us that there were some feelings among our French speaking brethren about the translation, have made that correction, instead of making a much more substantial change by way of the one which was introduced into the house? He has, by his actions—and he is acting, of course, as spokesman for the Prime Minister (Mr. Pearson)—raised a certain discord which is incompatible with the nature of the future celebrations that we hope to hold in this country. What purpose is served by this type of activity? I think that upon reflection the Prime Minister and the president of the council would be ready to express regret that they did not follow the course that was so carefully plotted in 1961, and keep the whole discussion of this interesting subject on a very, very high level. Not content with doing that, the President of the Privy Council distorted history on November 20. He used these words, as is reported on page 4979 of *Hansard*:

> It is quite clear to me, as it should be to the right hon. gentleman, that our nation and Canada existed before 1867. What did happen in 1867? United Canada and two other separate British colonies joined together in a confederation to form a single British colony, which became sovereign in fact much later in the present century.

I suggest that is a distortion of history.

Mr. Lamontagne: In what way?

Mr. Churchill: I shall indicate in what way immediately. What the president of the council has overlooked is that a new state was formed in 1867. He does not want to call it a nation. I appreciate that point of view. But certainly a new state was formed in 1867.

Mr. Lamontagne: On a point of order, Mr. Speaker, I never said in my speech that there was no Canadian nation. I said that the Canadian nation was born before 1867.

An hon. Member: What is your point of order?

Mr. Churchill: In the sense in which the president of the council is speaking, he is using the word "nation" as we use the word "race".

Mr. Lamontagne: No.

Some hon. Members: No.

Mr. Churchill: No one is prepared to say there was not a Canadian nation before 1867. Also, if you like, there was an English nation in this country before 1867; but we do not use that term at all. At the time of confederation one of the great leaders of that era, who was quoted by the right hon. Leader of the Opposition (Mr. Diefenbaker) when he was speaking on this subject, used these words:

> The time has arrived to form a great nation. If we unite, we will form a political nationality independent of the national origin and religion of individuals.

We have always accepted that as the historical fact with regard to what happened in 1867. And the other fathers of confederation were not talking about forming a larger British colony; they were talking about forming a new state comprised of the former British colonies that were on the North American continent. They were thinking in terms of a new state. Their opposite numbers in the British Isles were thinking along the same lines. When the secretary of the colonies, Lord Carnarvon, was discussing the British North America Act on February 19, 1867, he used these words:

> We are laying the foundation of a great state—perhaps one which at a future day may even overshadow this country.

Mr. Adderley, who was a distinguished member of the British House of Commons, said this:

> The rest of this large continent, still British, is now asking us to assist them to develop their own strength and resources in retained connection and in partnership of allegiance to one common sovereign.

Mr. Cardwell, who had been in the former administration secretary of the colonies and was subsequently minister of defence, used these words:

> Time was when it was the policy of this country to exercise a strong imperial control over her colonies. If that policy continued it would be unwise to pass this bill...but that policy has now passed away and the sole object of our government now is to have the satisfaction, pride and pleasure of witnessing the growth under the crown of England of great and powerful communities attached to the mother country by no other ties than those of love and affection and a reciprocal regard, which will prove a source of strength in the hour of danger.

Mr. Gladstone, on March 28, 1867, said:

> It is impossible to conceive anything more complete than our acknowledgment of those rights of self-government.

He was referring to the changed conditions that were being brought about in Canada. Then he said:

> We have carried it to this point, that as far as regards the administration, I believe it may be said that the only officer appointed by the colonial secretary is the governor; and I believe there cannot be a doubt that if it were the well ascertained desire of the colonies to have the appointment of their own governor, the imperial parliament would at once make over to them that power.

There is nothing, sir, in the evidence of the debates in Canada at the time of confederation, or in the debates in the British house of commons, to indicate that just a larger British colony was being formed. It was the creation of a new state, with complete independence; and any vestiges of colonialism that were left in Canada were due to Canadians themselves. The chief vestige that was left from 1867 to 1871 was the presence in Canada of a considerable force of British soldiers who were kept here at the request of the Canadian government because of the threat of the Fenian raids from across the border. I hope that the national centennial council, when it makes its plans for 1967, will commemorate in some form or other the assistance and sacrifice of the long suffering British taxpayer who supported numerous British troops in Canada from 1867 to 1871 before the four million people who then comprised Canada were ready to undertake the responsibilities which certainly rested upon them.

I suggest it is wrong to distort history by pretending, as has been pretended now for so many years, that Canada was just a colony of Great Britain after 1867. For 25 years before that time self-government had been accorded the British colonies on the North American continent. We became a nation state in 1867, and that is the point in time to which we are looking back, to celebrate in 1967. The people of 100 years ago in Canada and in Great Britain looked forward with vision to the future and saw the development of a great self-governing dominion, which was almost called kingdom, on the British North American continent. Everything that Canada wanted by way of independence the people in Great Britain were prepared to give. So I suggest that the President of the Privy Council is distorting history in making the suggestion that he does.

Now I have a much more serious point to bring to the attention of the house. I have already indicated that in the debate so far, in marked contrast with the debate in 1961, the only people who have spoken on the government side are the president of the council, the hon. member for Hamilton West and the hon. member for Lotbiniere. I take it that, this being a government measure, these people were speaking on behalf of the government, and were setting out the policy of the government and of the Liberal party. At the time I adjourned the debate on November 21 I did so because, having listened

very carefully to the speech of the hon. member for Lotbiniere, I thought that the right of reply should be accorded to people on this side of the house.

Let us consider, Mr. Speaker, some of the things said by the hon. member during the course of that debate. I heard him speak, but *Hansard* does not record the eloquence of his remarks, the fervour with which they were presented to the house and the emphasis that he placed upon them. Let us consider very carefully what he said. He picked upon the most important change in the bill, and as reported at page 5006 said this:

> But the most important change, in my opinion, is the new name that is proposed. Instead of celebrating the centennial of the nation, we are going to celebrate the centennial of confederation. Of course that implies rather different circumstances, because we are ready to celebrate the Canadian nation at any time, but to celebrate the centennial of confederation, that is not exactly the same thing.

So he based his remarks on this main portion of the act. Then in his peroration, which was very well delivered, he speaks with feeling and with fire. He went on in these words:

> Canada is an economic power; it has the right to transact business freely with other countries. It declared war in 1939—which is a sign of total independence—and since 1945, it has its own representative at the United Nations. Why should it still be subject to bonds of colonialism?

Thus he harped on the theme set out earlier by the President of the Privy Council, on the theme of colonialism, which is a misreading of history and is false to the history of our country. Then, Mr. Speaker, here is his final paragraph:

> Here is the nonsensical situation in which Canada finds herself in 1963: without a flag, without a national anthem, unable to amend its own constitution in some cases and a foreign sovereign is the symbol of its supreme authority.

Those were the words of the hon. member for Lotbiniere speaking, I took it, on behalf of the government, setting out the policy of the Liberal government. I call upon the Prime Minister of this country to come into this house and to make a statement. Does he agree with these words of the hon. member for Lotbiniere? Is that the stand that he takes with regard to this country? Or has he some different idea which he would like to put before the Canadian people? Will he speak in the terms in which he spoke in 1961?

Mr. Speaker, until I heard the remarks of the hon. member for Lotbiniere and the remarks of the President of the Privy Council on second reading, I was constrained to consider that the changes proposed, much as we regretted them, might be accepted; but I have reached the conclusion that we are being pushed a bit too far under the circumstances. I suggest to the Prime Minister of this country and to the members of the Liberal party that they reconsider their position. There is no one in Canada who is not proud of his country; and we use the word "country" as synonymous with "state" and "nation". There is no Canadian who is not proud of this country. There is no Canadian who does not like the idea—I hope—of celebrating the one hundredth anniversary of our country. This is something to lift the heart, raise the spirits and enable us to look to the future. At the time we do celebrate our one hundredth birthday, let us review the whole history, the prior history, of this great country of Canada. Why not? It is a fascinating history, and so many races have contributed to the development of Canada. The hon. member for Marquette (Mr. Mandziuk) pointed out the contributions which had been made by people not belonging to the two original founding races. The whole opening up of western Canada, a vast empire in itself, has been due in very large part to the activity and dedication of people of races neither English nor French.

If we are going to have, or continue to have, as I think we have had in the past, a united Canada, why should we be exposed to the type of activity foisted upon us by the President of the Privy Council, who could have brought in the necessary amendment to the French translation of the act and left us with what we thought was established two years ago? Nobody in Canada two years ago, at the time the act was presented to the House of Commons, raised any objection. These objections came subsequently.

Mr. Lamontagne: In 1961.

Mr. Churchill: In 1961. This whole idea was grasped with enthusiasm by the people of this country. And now the president of the council, speaking on behalf of the Prime Minister, has brought discord into the discussion of something which should have been so much above that. This, I think, is deplorable. It is an unfortunate development, and I think it can only be corrected by the Prime Minister himself speaking here to the House of Commons and to Canada and expressing his views.

Let us see where we stand. Why are we to be pushed this far. Is the Liberal party of this country going to ask us to accept some of these statements which were made by the hon. member for Lotbiniere? Are we to sit silent when he talks about a foreign sovereign? I would say to the hon. member and to the President of the Privy Council and to the Prime Minister: the Liberal party and the government of this country are

misjudging the temper of the Canadian people. We are prepared to be co-operative. We are prepared to make this concession and that concession. It may be perfectly all right. But I suggest that matters are being pushed to a crisis unnecessarily by the action of this government, based on the introduction of this bill.

I hope even now that the Prime Minister will accept his responsibilities, come here into the House of Commons and speak for Canada, instead of creating dissension and causing trouble in this country which we love.

Hon. J. W. Pickersgill (Secretary of State): I had not intended to take any part in this debate and I do not intend to take any extensive part now. But there was one observation made by the hon. member for Winnipeg South Centre (Mr. Churchill) which I cannot allow to pass in silence. I happen, at the moment, to be the senior government representative in the house—

An hon. Member: The only representative.

Mr. Pickersgill: I also happen to represent the constituency to which the Europeans first came when Canada was first discovered, when that great Italian explorer, John Cabot was paid £10 by Henry VII for the discovery of Newfoundland—

An hon. Member: How much?

Mr. Pickersgill: It also happened that my constituency was the first landfall of Jacques Cartier. His first landing took place there before he went on to Gaspe or Quebec. Perhaps if I could have some quiet attention, the same courtesy as was given to the hon. member for Winnipeg South Centre in a matter as important as this, where an appeal was made for unity, it might make for unity.

I have no desire to contribute to any kind of dissension in this country and I have tried never to do so. I think the hon. member for Winnipeg South Centre could hardly have been speaking seriously when he suggested that anyone could speak for a government except a member of that government. We are elected here as supporters of parties or groups, or even as independents; but outside of those who sit on the treasury benches and are sworn of the privy council and belong to the cabinet, no one else in this place is authorized to speak for the government.

Mr. Woolliams: Do you repudiate that Liberal, then?

Mr. Pickersgill: I repudiate any suggestion that the Queen of Canada is a foreigner—

Some hon. Members: Hear, hear.

Mr. Pickersgill: —as the Prime Minister has already repudiated that suggestion. Of course, this bill has nothing to do with that matter at all. The purpose of this bill is to make certain corrections in the French text of the act, to make certain other consequential amendments, and quite properly to take advantage of this situation to change certain expressions which have given offence in certain parts of this country, and to substitute other expressions which, it seems to me, can give no reasonable offence to anyone. While they are there in the form they are, they do give offence to some Canadians. I would hope we would all try, no matter where objections come from in this country—if people are sensitive about certain things, and if those objections can be overcome without creating irritation in other quarters—I hope we would all try to meet those objections. As the hon. member for Winnipeg South Centre indicated in his opening remarks, I hope we shall not seek to exacerbate any differences there may be in connection with this matter but that, instead, we shall deal with the words and the expressions which are actually in the bill before us, so that any irritation or misunderstanding which may have been caused can be overcome as quickly as possible.

We all know, as the hon. member for Winnipeg South Centre hinted, that the word "nation" in the English language is generally used as a synonym for the word "state". We also know that in the French language it has two senses. Out of this comes, sometimes, misunderstanding. We also know that the word "foreigner" in English is translated in French by the word "étranger". There was one occasion when Sir Wilfrid Laurier, who had an almost perfect command of the English language—it was not a perfect command; indeed, few of us have a perfect command even of our own mother tongue—used the word "foreigner" when all he meant was the word "stranger", and thereby caused a tremendous commotion, though a person thoroughly familiar with both languages would easily have understood what had happened.

We in this country have a problem because we do have two official languages, but it seems to me that even those of us in this house who are familiar with only one of them should try to understand both the potentialities and the limitations of the other language, and try to make as much accommodation for them as possible. It seems to me that only in that way can we have the united country that we want to see; only in that way can we celebrate, in 1967 what I like to call, in the words of the British North America Act, the union which took place in that year.

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I had the opportunity to hear the

speech made by the hon. member for Winnipeg South Centre (Mr. Churchill).

I should not want to leave unchallenged some of his remarks. We have witnessed a real war in the fashion of a modern Don Quixote, trying to break down a door already opened.

If I may make a suggestion to the government which wants to appoint a new Canadian ambassador to London, it should appoint to that post the hon. member for Winnipeg South Centre on account of the assertions he has just made, in order to rid Canada of him.

Mr. Speaker, we cannot with a mere stroke of the pen, cross out 200 years of history, that is the two centuries which elapsed before confederation took place in 1867. We may have been able to create a confederation of two nations in 1867, but it takes more than a day to build a nation.

The founding of a country comes gradually as events go on and is the result of a succession of events which preceded it. It develops through all sorts of legislation which precede it. There were final statutes before the 1867 act, namely the act of Quebec in 1774, another legislation in 1791, one in 1842 and finally confederation in 1867.

A country is not founded overnight. Before confederation, we had a whole series of outstanding facts, of leaders in the political and cultural fields, etc. Natural resources were developed which enabled the country to develop by itself.

It is the blending of all those facts which made it possible to designate at one particular time the 1867 act by the name of confederation. But that was not the foundation of a new state nor the creation of a new nation. It was a progression through circumstances, facts and developments which made it possible for Upper and Lower Canada, having come to maturity, to form what we call today the Canadian confederation.

We can take as an example Algeria, which has just reached independence. Would it be right to say that Algeria has become a nation over night merely on account of the fact that France has given it its independence? Obviously not, for previous to that, there had been historic events, personalities and cultural developments. That is what made possible the formation of a new country and a new nation.

The same thing could be said of the Congo and of those Latin American countries which, for years, have evolved by themselves through their own culture and with the support of other colonial countries which succeeded in opening up new cultural vistas for them. After a series of events, the adoption of various pieces of legislation and the appearance of men who succeeded in imposing their personality, a new way of life was born in those countries. New legislation was the concrete evidence of all past efforts.

Confederation, Mr. Speaker, did not come into being spontaneously. It was not spontaneous generation nor a new state. It was the result of centuries of efforts, work and development. The hon. member for Winnipeg South Centre, a former minister, must not find in the fact that a piece of legislation is being changed an excuse for a political debate.

We speak of confederation. A confederation is not born out of nothing, it comes out of something that existed beforehand. That is what gave birth to confederation. It is because some things existed before that those things could be united to form confederation. It is not a union of nothing, a union in a vacuum, but a union of principles, factors, human resources and natural resources, which at a given moment formed confederation.

Since it is a confederation built on principles, cultures, personalities and legislation that already existed, it was possible to make a concrete whole out of those things and to form confederation. There, Mr. Speaker, you have a confederation born out of something which exists.

Reference is made to the confederation centennial, to a nation. A while ago, I wanted to challenge the point raised by the hon. member for Winnipeg South Centre who, in doing so, was actually taking to task the hon. member for Lotbiniere (Mr. Choquette). The Secretary of State (Mr. Pickersgill) also deemed it advisable, after the Prime Minister, to repudiate the statement made by the hon. member for Lotbiniere. I do not mean to say that I approve 100 per cent the idea as expressed by the hon. member for Lotbiniere. But there is perhaps one thing that should be borne in mind. If a nation, in the sense the word is used by English speaking Canadians, a political nation, is to be built, we French Canadians believe it must be given an image in keeping with a real nation. How is that image of a nation which exists by itself to be achieved? At the present time, we have a geographical image of our country, with boundaries to the east, west, north and south. But, in the interior, what is the image of this country? Let us look at our public buildings. Were we able to give them names representing symbols for Canadians as Canadians? As a matter of fact, when the question of choosing a name for an hotel in Montreal came up, it was called Queen Elizabeth.

I agree, as the right hon. Prime Minister (Mr. Pearson) stated the other day, that the Queen of England is also the Queen of Canada, that she is bilingual and nice, but if

we want to create the image of a Canadian country, why not give our public buildings names which represent something for Canadians, as Canadians and for Canada, as a country?

Let us look, for instance, at the name given to the street right in front of the parliament buildings in Ottawa: Wellington street, a name which recalls a great English general.

Put your hand in your pocket and take out your paper money. What are you going to find on it? Again the picture of the Queen.

Put a stamp on an envelope. The same picture again.

Streets, parks, public buildings are our symbols. Do we manage really to create a Canadian image favourable to each and everyone of the Canadian citizens? Are we trying to unite the Canadian people?

Here is another example, Mr. Speaker. About a fortnight ago, I had the opportunity to watch the Grey cup game on television. An interesting game, I agree, but it started with a regiment parading with the union jack while "God Save the Queen" was being played. Should anyone doubt the truth of what I am saying, let him get the tape recordings of that T.V. program and he will see that I am right. It was beautiful since it happened in Vancouver, but I, watching that television program in Jonquiere, that is, at the other end of the country, I heard the national anthem of another country whereas they displayed the flag of another country. What does it do for Canada?

Mr. Speaker, all that gives food for thought when we speak about celebrating the centennial of confederation, which others call the nation. Have we really created an image of the Canadian nation which displays the feeling of each and every Canadian? Or have we not, for too long and too often, drawn from foreign symbols?

Those are, Mr. Speaker, the points I wanted to make. I made these remarks as they came to my mind, particularly following the speech just made by the hon. member for Winnipeg South Centre (Mr. Churchill). I would have liked to answer some of the other remarks he made tonight, for I must admit I was somewhat surprised to hear them, particularly at a time when Canadians make a real effort towards understanding between the two great nations.

Recently, we saw—and I believe this is really relevant to the centennial of confederation, soon to be celebrated—the president of the Canadian National Railways suggest a program to promote bilingualism and biculturalism in our country, a program which was unanimously adopted. In fact, the hon. member for Three Rivers (Mr. Balcer) and the hon. member for Port Arthur (Mr. Fisher) seconded a motion I put forward to support that policy, which may be was only a project, but the results of which will be evaluated later on.

Those are, Mr. Speaker, steps towards understanding. But if speeches like that made tonight by the hon. member for Winnipeg South Centre were heard too often, then we would go backwards, retracing our steps continually.

The other day, the hon. member for Three Rivers deemed it advisable to make a speech on the state of Quebec during the debate on a motion I had presented. I am wondering if he will have the nerve to rise tonight and protest against the arguments raised a while ago by one of his former cabinet colleagues, namely the hon. member for Winnipeg South Centre.

I am wondering also if the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) will raise his arms as high today as he usually does when he is putting questions to the Prime Minister or the President of the Privy Council, and if he will protest with all the vigour called for against the speech we heard a short while ago?

Mr. Pigeon: You will read the speech I made some time ago.

Mr. Gregoire: Mr. Speaker, it is very well to make nice speeches but you must also practice what you preach. If you let the arguments heard tonight go unchallenged, you can say that these are high-sounding speeches, principles being formulated, and that you do not want things to go any farther. In fact, you must not be afraid to protest if need be, even if members of your own party are involved.

Mr. Speaker, these things must be said to put the cards on the table and stop allowing those who do not want understanding or who want to break open doors to come here and make speeches like the one we heard tonight.

If it is the wish to appoint the hon. member for Winnipeg South Centre as Canadian ambassador to England, I would be the first to second the motion. This would be an opportunity to send him for some time in another country.

Mr. Speaker, one of the best ways to celebrate properly the centennial of confederation would be to set about preparing it seriously. Recently, efforts were made to promote bilingualism and biculturalism in Canada. There is an exchange of ideas and I conclude my remarks by emphasizing this point. Let us not forget that the most important problem at the present time—

Some hon. Members: Hear, hear.

Mr. Gregoire: Mr. Speaker, I notice that there are still a few backbenchers who did not understand; in short, they are ignorant. But when time comes for these hon. members to speak about wheat, then they can talk for 24 hours. And since we let them outline their problems, they should be as broadminded as we are and let us enjoy the same privilege.

Mr. Speaker, the last problem I want to raise is the most important, I think, since confederation. I mean the taxation problem which brushes aside all the others and about which our English speaking colleagues seem to have fallen into step. In my opinion, this problem must be settled if we do not want to witness the breaking off of confederation, even before the centennial celebration. The parties concerned must get together and settle the problem, so as to enable us to save confederation whose centennial we want to celebrate in four years from now.

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, just a few remarks.

We have been listening tonight to two speeches which, instead of being sources of agreement, are precisely sources of dissension.

As one complains on the one hand that some people lack breadth of outlook, on the other hand, one can complain about the same things even though one must keep those complaints for oneself.

I suggest that truths have been told tonight but that they could or should have been told in other circumstances. I believe that what we need is action rather than claims made at the top of one's voice, inconsiderately, without taking into account circumstances or varied factors that should be of interest to everybody.

Some say we should be acting instead of making speeches. I think that could be applied to those who talk that way and never do anything.

In a country such as ours, made up of various ethnic groups, of two official groups whose official languages are recognized, I think it is enough to know each other better, to better appreciate each other and to be able to recognize our characteristics in order to get along instead of always blaming each other and saying: if we cannot get along, there will be separation, or you are lacking co-operation.

There is exaggeration on both sides, but without going into more details, I should like to say that there still are probably in this house some people who have sound middle course principles, who know there are problems on both sides and who think it should be possible to find grounds for agreement instead of living in discord.

I think that the changing of this National Centennial Act into the Centennial of Canadian Confederation Act is a step forward towards the settlement of that problem. I think it is not by adopting rigid, unchangeable and die-hard attitudes that we can succeed in solving that problem. It is rather by admitting calmly the things that are done, like the project before us tonight, that we can finally arrive, not at a Canadian unity—it is quite hard to have real unity with so much diversity—but at co-operation and good understanding between the two majority groups which make up our country.

[*Text*]

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I am impelled to say a word or two in view of the contribution made by the Secretary of State (Mr. Pickersgill). He, in turn, found it necessary to speak because of earlier speeches that had been made. I was particularly interested in the expression of his views, to which I shall make allusion in a moment, that only those who are members of the cabinet can speak for the Liberal party and the government of the day.

Mr. Pickersgill: I am sure the right hon. gentleman does not want to be unfair. I said that only the members of the cabinet could speak for the government.

Mr. Diefenbaker: Well, I intend to refer to the fact that this cabinet certainly does not live up to the high aspirations that were designated by the minister during the course of his remarks. I think we have had a series of examples recently in this connection which would indicate that the cabinet of today has as many voices as the representations that are made to its membership require it to have. I am going to give some examples of that because I think it would be intensely interesting to understand how a government can express itself in unity, when amongst its members their voices are generally raised in disunity.

However, I am going back to the initial stages of this particular legislation. I introduced this legislation in this house, and it received general support. The then leader of the opposition, now the Prime Minister (Mr. Pearson), gave his views at the time, as did the Minister of Transport (Mr. McIlraith). I am going to read a few of the remarks made by the Prime Minister, and when I read them it will be understood why it is that these amendments are brought in by someone other than the Prime Minister. I do not want to read at length, but I refer to the remarks made by the then leader of the opposition, because I gather that the word "nation" or

"national"—either of these words—have a connotation that denies their use in the interests of national unity.

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

Mr. Diefenbaker: Mr. Speaker—

Mr. Deputy Speaker: The minister, on a point of order.

Mr. Lamontagne: I challenge the right hon. gentleman to show me where the word "nation" is in the English version of the present act and also to show me that we are deleting the word "national" from the present act.

Mr. Deputy Speaker: Order; perhaps I should mention that, in my opinion, that is not a point of order but rather a point of debate.

Mr. Diefenbaker: As a matter of fact it is a point of disorder. I read what the Prime Minister said:

> I think all members of this committee wherever they may sit would wish to give wholehearted support to this resolution.

Then he said:

> It is perhaps a happy coincidence that the Prime Minister on his sixty sixth birthday anniversary should be reminding us that our nation will soon be celebrating its one hundredth birthday anniversary. It is appropriate that we should prepare for that celebration.

Then a little later on again he said that Canada as a nation would be 100 years of age; and still later:

> The fact that we shall soon be celebrating our hundredth birthday makes us one of the older states in the world.
>
> As the Prime Minister has said, this celebration should encompass the whole range of Canada's history, not merely the achievement of confederation itself.

Then again, as recorded at page 8469 of *Hansard* for September 18, 1961, he said:

> Also, as the Prime Minister has pointed out, it would be appropriate to re-examine the values of our national society.

He spoke. The hon. member for Hull (Mr. Caron) spoke. The Minister of Transport of today spoke; and never was there one word of criticism among any of the members now sitting on the government side when this bill was before the house. They gave it undivided support. There was not one word of criticism in this house, not one word of criticism in the other place. Then, suddenly, ten days or so after the bill became law the first objection was raised by the premier of Quebec, who indicated that he would not permit his province to participate in the celebration of our anniversary unless there were changes made in the legislation.

Why was it that those sitting opposite today, when they sat over here, saw nothing wrong then? Why did they support it throughout? Why was there such unanimity, and why the change that took place within a few days after His Excellency had given royal approval? It was only because the premier of Quebec decided that the wording of the legislation did not meet his desires or wishes.

I want to be very clear on this. Over and over again, in an endeavour to bring about national unity within our country, when some of us disagree with other fellow Canadians we are immediately charged with being anti this or that. The suggestion has been made that I am anti-Quebec because I dared to say that I disagreed with Premier Lesage. Is he anti-Canadian because he disagrees with me? Was he anti-Quebec when he disagreed with Premier Duplessis? Surely there must be better arguments advanced than that, that every time you disagree with the premier of one province in Canada you thereby become anti-Quebec?

I was never anti-Quebec at any time.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I point this fact out to the President of the Privy Council, that almost 40 years ago I argued a case in the province of Saskatchewan on appeal, whereby school trustees who were prosecuted for the use of the French language had been convicted. It was not a popular stand to take, but my belief was that the French had the right to their language in the schools of Saskatchewan. I took that case and at that time, 40 years ago, there was little thought of my being in politics. Those views represented my views, when it was unpopular to hold those views, and I emphasize that fact; but throughout the years it has been the prerogative of the Liberal party to charge those who may not agree with their viewpoints at any one time as being anti-somebody, anti-something. It is simply a continuation of divide and rule, which for so many years represented the reason for success of the Liberal party.

I was referring to the debate that took place on September 18, 1961. I think that above all in this nation we believe in freedom. We believe in the necessity of the preservation of those things that had their consummation in confederation.

When the Liberal party, under Mr. St. Laurent, was arguing in this house that the rights of language, religion and education guaranteed under the British North America Act could be amended by a majority of this House of Commons and of the Senate, the Conservative party took the stand that the

rights of French Canadians, their religious and educational rights, were inviolate, unchallengeable and unchangeable. While we took that view, Mr. St. Laurent said that they could be changed by a simple vote of parliament, a principle that this party has never accepted, and which denies the basic agreements between Macdonald and Cartier and those who made confederation—

Mr. Pickersgill: Would the hon. gentleman permit me to ask a question?

Mr. Diefenbaker: Please, Mr. Speaker; I will be glad when I conclude to answer any question that the hon. gentleman will ask. At the moment I choose to proceed, but he will get every opportunity.

The words of Sir George Etienne Cartier are pertinent today. This is what he said:

> The time has arrived to form a great nation, and I maintain that, as far as we are concerned, confederation has become necessary to our commerce, our prosperity, and our protection...
>
> The government is of the opinion that confederation is necessary, but it is ready to hear the honourable members on the other side who apparently intend to oppose it. I am aware that members of this house and a number of people in Upper Canada and the maritime provinces believe that a legislative union would be far more advantageous than a confederation. As far as I am concerned, I believe that a single government could not deal properly with the private and local interests of the various sections or the various provinces. No other system is practicable but a federal system. It is pretended that it will be impossible to carry out confederation on account of differences of race and of religion. Those who hold that opinion are in error. It is precisely on account of the difference in races and local interests that the federal system should be established and that it will work well.

He went on to say a little later on:

> Objection is made to our project, because of the words "a new nationality".
>
> But if we unite, we will form a political nationality independent of the national origin and religion of individuals. Some have regretted that we have a distinction of races, and have expressed the hope that, in time, this diversity will disappear. The idea of a fusion of all races is utopian; it is an impossibility. Distinctions of this character will always exist; diversity is the order of the physical, moral and political world. As to the objection that we cannot form a great nation because Lower Canada is French and Catholic, Upper Canada English and Protestant, and the maritime provinces mixed, it is futile.

Then he goes on to say:

> We cannot by law make the differences of race disappear, but I am convinced that the Anglo Canadians and the French Canadians will appreciate the advantages of their position. Set side by side, like a great family, their contact will produce a happy spirit of emulation. The diversity of races will in fact, believe me, contribute to the common prosperity.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Those words of 1867 by the great tribune of French Canada in confederation are as true today as they were then.

Ever since there have been divisions from time to time, but the essence of Canada is tolerance in action and in fact, a recognition that while we will not always agree in all things, over and above the disagreements that sometimes separate us is a common dedication to freedom and a recognition that those of the English and the French race, and the other races that have come to this country, each has a part to play, the basic races with their constitutional rights and the other races having that freedom which gives to those of us who are Canadian a pride in the greatness of our citizenship.

Over and over again it has been the history of our country that too often for political purposes divisions have been created. I would like to say it was because I believed in the possibilities in that connection that I advocated the need of the questions in dispute on national symbols, and the like, being submitted to a dominion-provincial conference; a conference representative of all the political parties of the nation and of all the races of the nation—because no matter what the symbols may be, they cannot be pushed on to the people; they must be accepted nationally, by our people as a whole. In other words, there must be that feeling that each and all are endeavouring to bring about that Canadian citizenship, strong, vital and free. I think of the words of Sir Charles George Douglas Roberts, when considering some of the things that have happened in the last year or so in our country. I think these words are so applicable:

> Awake my country, the hour is great with change.

In other words, let us—and I make this plea—fight our political battles over the things that separate us; but do not let us start fighting political battles in order to get votes over the questions that separate us and are bound to separate us from time to time because of the different racial origins of our country.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Again I quote Cartier, who said this:

> —there will be Catholics and Protestants, English, French, Irish and Scotch, and each by its efforts and success will add to the prosperity of the dominion and to the glory of the new confederation. We are of different races, not to quarrel but to work together for the common welfare.

That was the spirit of Cartier and of Macdonald and of Laurier; and that is the spirit that we need today. But for some reason the President of the Privy Council has belonged to those that in the past several years have continued to activate division in this country.

Some hon. Members: Oh, oh.

Mr. Chevrier: That is not so.

Mr. Diefenbaker: Oh, yes. I cannot understand why it is that what was right on September 18 and later in September of 1961, what was accepted thereafter until changed by the premier of Quebec, suddenly becomes wrong, suddenly becomes discordant, suddenly brings about a division in the nation. I plead with the government that in these things we do not proceed in a way that can only leave wounds. I am not going to say more in that connection, but I point out once more that there was unanimity when the legislation was passed; there was acceptance. The Prime Minister (Mr. Pearson) joined in the band, and, now—

Mr. Lamontagne: What about consultation with the provinces?

Mr. Diefenbaker:—what was good in 1961 has become an element of disunity in 1963. The Secretary of State (Mr. Pickersgill) was going to ask me a question a little earlier. I will be glad to answer it, and then I want to say something about the cabinet in a kindly way.

Mr. Pickersgill: My question will, I think, be entirely non-contentious. The right hon. gentleman referred to a statement made by Mr. St. Laurent in 1949 about section 133 of the British North America Act. I am asking the right hon. gentleman whether when he made that statement he had forgotten that this same Mr. St. Laurent, in this house in the autumn of 1949, proposed an amendment to the British North America Act No. 2 of 1949, which safeguarded it for all time and took it beyond the power of a simple majority to do that. And to be fair to Mr. St. Laurent it should be pointed out that the defect he had mentioned in the constitution, he himself took the initiative in removing.

Mr. Diefenbaker: Mr. Speaker, I said that Mr. St. Laurent had stated that by a simple amendment of parliament those rights could be taken away. We said no, and then finally Mr. St. Laurent asked parliament to amend the British North America Act so as to remove the doubt which was in his mind, but never in ours in this party. I mentioned Sir Wilfrid Laurier a moment ago and I want to quote what he said, because I think it might be studied with interest by the President of the Privy Council:

> Below the island of Montreal the water that comes from the north, from the Ottawa, unites with the waters that come from the great lakes to the west, but uniting they do not mix. They run parallel, separate, distinguishable, and yet they are one stream, flowing within the same banks of the mighty St. Lawrence, and rolling on toward the sea...
>
> There is the perfect image of our nation. We may not assimilate, we may not blend, but for all that we are the component parts of the same country. We may be French in origin, we may be English or Scots or whatever, but we are Canadian—one in aim and one in purpose.

That represents the view that this party has always taken from the days of confederation, to which it contributed so much and has continued to do so throughout the years since.

The Secretary of State (Mr. Pickersgill) gave us a lesson in cabinet solidarity and responsibility, and told us how only the members of the government can speak for the government. I was quite interested in that, because we have had some examples in the last while which indicate that he has not been studying the situation as carefully as he might. In his speech on April 23 the Prime Minister (Mr. Pearson) used these words, which were to be descriptive of the events which would take place in Canada within the 60 days and thereafter. These are challenging words:

> This is a time to excite the daring, test the strong and give new promise to the timid.

They are striking words and they had national appeal. I am going to refer to some of the things which have happened recently in this regard—because the Secretary of State has chosen to bring this question up—and to indicate the unity which prevails over there.

This government, Mr. Speaker, is a collection of ministers who dispense contradictory statements about confusing policies. It is a government of uncertainty wherein each minister voices his private opinions publicly. It is a government in which principles or consistencies are not regarded as important. It is a government wherein the ministers, in a spirit of diplomacy, agree with whatever representations are being made at the moment. I am going to refer to some examples of this. We have the Minister of Justice (Mr. Chevrier) who, rumour has it, is about to take a diplomatic post. Well, he showed high powers of diplomacy the other day when the labour group met with him. This labour organization group asked for sweepstakes for the—

Mr. Lamontagne: On a point of order; could we come back to the discussion of the second reading of this bill?

Mr. Diefenbaker: He reported that he was speaking for himself on that occasion.

Mr. Lamontagne: Mr. Speaker, could we come back to the discussion of the second reading of this bill?

Mr. Deputy Speaker: I am not too sure what is the point the minister is raising at this time, but certainly I am sure the Leader

of the Opposition (Mr. Diefenbaker) will want to limit his remarks to the bill before the house.

Mr. Chevrier: Mr. Speaker, I beg to rise on a point of order, if I may. The point is that we are on second reading of this bill. I know what the right hon. gentleman has in mind and what he intends to do. He did it on my estimates the other evening. I have no objection if he does it again, but I should like to remind you, sir, that the second reading of this bill is not the place, it seems to me, to discuss matters which the right hon. gentleman is discussing. He had an opportunity to do it—

Mr. Diefenbaker: That is not a point—

Mr. Chevrier: I am on a point of order.

Mr. Diefenbaker: That is no point of order at all.

Mr. Chevrier: I am raising a point of order and I think the right hon. gentleman—

Mr. MacInnis: On a point of privilege, Mr. Speaker—

Some hon. Members: Sit down.

Mr. Deputy Speaker: Order. Would the hon. member kindly resume his seat. I wonder whether we could not first hear the minister on his point of order, and then I will be pleased to hear the hon. member for Cape Breton South (Mr. MacInnis).

Mr. MacInnis: I have a question of privilege.

Mr. Deputy Speaker: If the hon. member has a question of privilege I will hear him.

Mr. MacInnis: My question of privilege is this. As a backbencher, or as an ordinary member of this house, what obligation have I to give place to a minister of the crown rising in his place, when the Chair did not recognize him in the first place, or prevent my rising on a point of privilege? The minister was not recognized.

Mr. Deputy Speaker: Order. I think I should bring to the attention of the hon. member for Cape Breton South that the Leader of the Opposition sat down and yielded the floor very politely to the Minister of Justice (Mr. Chevrier), who I think is trying to expound a point of order. He may or may not have a point of order, but I think we should give him an opportunity to state it to the house; after a ruling has been made we can hear out the Leader of the Opposition.

Mr. Chevrier: My point of order—

Mr. MacInnis: One word on my point of privilege. I recognize the Leader of the Opposition's surrendering the floor to the President of the Privy Council, but not to the Minister of Justice, who was not recognized.

Mr. Deputy Speaker: If this will please the hon. member for Cape Breton South, I will now recognize the Minister of Justice.

Mr. Chevrier: The point of order I had raised is quite a simple one. We are discussing second reading of this bill. The Leader of the Opposition is trying to bring into this matter matters which are entirely extraneous and which were discussed on another occasion. They have nothing to do with the bill. I know what it is going to be. If he wants to talk about me and make sarcastic remarks he can go ahead—

Mr. Diefenbaker: No.

Mr. Chevrier: —because I have been listening to this for almost six years now and I am used to it.

Mr. Deputy Speaker: Order. On the point of order I can only say that the Leader of the Opposition has the floor now. He is required, and will I am sure, as all other hon. members try to do, to limit his remarks to the subject matter under consideration before the house.

Mr. Diefenbaker: Mr. Speaker, the Minister of Justice came in just a moment ago. He did not hear the contribution of the Secretary of State. Your Honour did not see fit to raise any objection when the Secretary of State was speaking with such scintillating eloquence regarding this cabinet. I think it only fair, if it was proper for him to lecture the house on the cabinet of which he is a member, that we should be able to get the other side of the question. It is because the other side of the question will hurt which causes the Minister of Justice to rise as he just did.

Mr. Chevrier: It won't hurt me, go ahead.

Mr. Deputy Speaker: I do not wish to enter into an argument at all and I am sure all hon. members want to hear what the Leader of the Opposition has to say. My understanding is that when the Secretary of State rose he made a very cursory remark about cabinet solidarity, saying that only a cabinet member can speak on behalf of the government, and I do not think he did much more than make this very brief remark. I do not think this would justify the Leader of the Opposition in making a general discourse on cabinet solidarity.

Mr. Diefenbaker: Mr. Speaker, we talk about a spirit of co-operation and good will. I listened to the Secretary of State this evening and I seem to remember a book which was called "The Wizard of Oz". He is the

Wizard of Ooze. He speaks with such softness and consideration at all times. But he is the one who gave me the opportunity to do this. I am not going to press it at all. I was just started, and I have some awful examples to indicate the spirit of unity that exists. I should have thought the government would have been anxious to have this cleared up. Remember what the Secretary of State said. He said: We speak as one; we speak for the party; no one else speaks for it. And when one thinks of all the clashing statements which have been made in the last few days—

Some hon. Members: Order.

Mr. Diefenbaker: —when minister after minister has been challenged for making statements, and the answer given in every case was: I was speaking for myself, not for the government—

An hon. Member: On a point of order—

Mr. Diefenbaker: The hon. member for Lotbiniere is not a member of the government, but I am sure he should have the same right to emulate their differences as they themselves have. I will deal with this, though, before the session is over, because I think an opportunity will occur which Your Honour will agree is in keeping. This should be clarified, because it has been an interesting session characterized by division and uncertainty, except in this one measure in respect of which a direction was received by a premier of one province to this effect: Unless you do what I want, I will not take part in the celebration of confederation.

I hope the day will not come in this country when the premier of any one province having taken a stand which is not acceptable to members on the other side of this house, pointing this out will be considered as an attack on the province represented by that premier. Indeed, the minister of health gave us a lead in this connection when, in the course of the provincial election in Ontario, she spoke in such derogatory fashion of the premier. No one charged her with being anti-Ontario because she disagreed with the premier.

Miss LaMarsh: I was pro-Ontario for the Liberals.

Mr. Diefenbaker: I ask for the same consideration. To suggest that, when we discuss issues objectively and reach conclusions which are not acceptable to the premier of any one province we are opposed to the province represented by that premier, is to endorse a doctrine which denies the very basis of confederation which we are preparing to celebrate in 1967.

Mr. R. W. Prittie (Burnaby-Richmond): The New Democratic party does not intend to take part in this exercise in national disunity. It seems to me that the hon. member for Winnipeg South Centre (Mr. Churchill) has started a debate which has set back confederation by several years.

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

Clauses 1 to 3 inclusive agreed to.

On clause 4—*Personnel.*

Mr. Churchill: I regret to have to draw the attention of the committee to the fact that clause 4, which introduces an amendment to the French version of the bill, is not expressed in the same words as the French version of Bill No. C-107. This, I think, should be corrected. I have taken the opportunity to read the French translation as well as the English version and I found, on reading them through, that in line 9 of subsection 6 the conjunction shown in the French version is that which appears in the English bill, while in the French translation, instead of "et" we have "ainsi que". This is, perhaps, something which should be corrected.

[*Translation*]

Mr. Lamontagne: Mr. Chairman, I think the French version of the bill should be amended by striking out the word "et" and replacing by the words "ainsi que".

[*Text*]

Mr. Chevrier: I move, accordingly:

That the words "ainsi que" be deleted from line 9, clause 4 of the bill, and replaced by "et".

The Chairman: Could we have that amendment in writing?

[*Translation*]

Mr. Gregoire: Mr. Chairman, in my opinion, the Minister of Justice and the President of the Privy Council are aware enough of the niceties of the French language so as not to be influenced by someone who has not the faintest idea on the subject.

If the words "ainsi que" are replaced by the word "et", let us look at the results, and this, because someone wanted to give us a lesson in French:

...qu'il estime nécessaires aux fins de la présente Partie et fixer leur rémunération et les modalités et conditions de leur emploi.

The Minister of Justice and the President of the Privy Council should agree with me that such a sentence would not sound well in French, whereas the present wording is as follows:

...fixer leur rémunération ainsi que les modalités et conditions de leur emploi.

The meaning is exactly the same, but it sounds better.

That is why I suggest that the section should be left as it is and remain unchanged.

[*Text*]

Mr. Churchill: I wonder whether the hon. member for Lapointe would reconsider his discourteous remark that I have no knowledge of the French language. I happen to be able to read the French language. I am not suggesting that there be any change. I am simply asking that the two versions correspond.

Mr. Pickersgill: I must say, in all fairness to the hon. member for Winnipeg South Centre, that the committee should be grateful to him for discovering that the two bills are not identical and for wishing to make sure that there will only be one French version and not two.

[*Translation*]

Mr. Martineau: Mr. Chairman, why not amend clause 4 in the English version and substitute the words "ainsi que" to the word "et", so that it may sound better.

[*Text*]

Mr. Chevrier: I so move.

[*Translation*]

Mr. Deputy Speaker: Mr. Chevrier moved:

That the word "et" be deleted and replaced by the words "ainsi que" before the words "les modalités" in paragraph 9 of clause 4 in the English version.

Amendment agreed to.

[*Text*]

Clause as amended agreed to.

Clauses 5 to 9 inclusive agreed to.

Title agreed to.

The Chairman: Shall the bill carry?

Mr. Churchill: On division.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read the third time? Now?

Some hon. Members: Now.

Mr. Churchill: Next sitting of the house.

Mr. Deputy Speaker: Next sitting of the house.

Mr. Pickersgill: Mr. Speaker, I would ask the Second Clerk Assistant to call now committee of supply so that we can go ahead with the estimates of the Minister of Northern Affairs and National Resources who has to be elsewhere for the most of the rest of the week.

SUPPLY

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

[Mr. Gregoire.]

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

55. Water resources branch—administration, operation and maintenance including Canada's share of the expenses of the international executive council, world power conference, and authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the shares of the province of Manitoba and of the province of Ontario of the cost of regulating the levels of Lake of the Woods and Lac Seul and the amount of the shares of provincial and outside agencies of the cost of hydrometric surveys, $1,762,100.

Mr. Herridge: Mr. Chairman, if we had ample time there would be a great deal I would like to say on this item. I know the minister is anxious to get away but I do want to bring to the attention of the house some matters in connection with this item. The minister gave an excellent address to the Saskatchewan river development association on November 1 of this year at Moose Jaw, the title of the address being "Energy From Water". I wish to quote briefly from this address because I think these remarks are well worth putting on the record. The minister said, commencing at page 6:

This makes it imperative that every available drop of water must be used wisely. Waste is inexcusable even in the midst of plenty, but where an increasing demand approaches the limit of the available supply, waste is not inexcusable, it is suicidal.

The warning signals are being given us by many people whose reputations are such as to command our most serious attention. Among them Mr. David Cass-Beggs, general manager of the Saskatchewan Power Corporation, has recently said that it can almost be taken for granted that in the next 30 years or less much of the flow of the Peace and the Athabaska will have been diverted into the North Saskatchewan and in part into the South Saskatchewan. In addition to conserving and redirecting water flows from the eastern side of the continental divide Mr. Cass-Beggs has suggested the most serious study of proposals to use diversion of water from the west side of the Rocky mountains into the southern river systems where they are most needed. It is quite certain that to many Canadians who have always associated water with plenty, such proposals will smack of popular mechanics. They should remember that these forebodings, in time it is to be hoped, overdrawn if some would prefer to call them so, may deliver us from the crises by which water failures have pockmarked the pages of world history and even at this moment are threatening great areas of this continent. The conservation or wise use of our water resources should be the concern of every citizen.

I am sure everybody will agree with the minister's contention in that respect as those remarks were made directly applicable to the water requirements of the prairie provinces. Because of its keen appreciation of these circumstances the government of Saskatchewan had some surveys made under the direction of Mr. Cass-Beggs of the Saskatchewan Power Corporation as to the possibility of diverting some of the waters on the western side of the Rockies and in northern areas of the prairies

into the North Saskatchewan and into the South Saskatchewan. The result of these surveys was published in a paper called "Energy And Water For Western Canada" by Mr. Cass-Beggs. In that connection I want to quote one paragraph and then make a few concluding remarks. On page 5 of this very interesting report there is a paragraph headed "Water Supply and Demand" which reads as follows:

> It is well known that the prairie provinces—Alberta, Saskatchewan and Manitoba—are the most arid parts of Canada, particularly in the settled areas. It is not generally realized, however, how serious a problem the future water supply to these areas may be. The original source of water in a drainage basin is of course the total precipitation. But the net water available is the run-off after evaporation and transpiration by vegetable life has returned a proportion to the atmosphere. While the precipitation in the settled part of the prairies is the lowest in Canada, about 17 inches, the run-off remaining as a source of water is a much smaller proportion of the precipitation than in any other region, resulting in only 2.8 inches per annum. This should be compared with 11 inches in Ontario, 15 inches in Quebec and about 25 inches in British Columbia and the maritimes. It might also be noted that the settled areas of the prairies represent some 30 per cent of the settled area of Canada but has only some 6 or 7 per cent of the run-off.

In this study he goes on to indicate how water can be diverted from the Columbia into the South Saskatchewan river system and from the Peace and other rivers into the North Saskatchewan river system. I mention this particularly because the minister has recognized the seriousness of this problem to the prairies, particularly in the future and possibly in the near future, and because Mr. Cass-Beggs and the government of Saskatchewan recognize it. I understand that the governments of Alberta and Manitoba are also concerned. As I mentioned in a question this afternoon, the premier of Saskatchewan has called a conference of ministers of Alberta, Saskatchewan and Manitoba to be held in Regina on December 20, Friday of this week, to give consideration to the water requirements of the prairie provinces. I know that the minister, according to the reply he gave to my question this afternoon, is going to attend this conference. We are very pleased that he is and we hope that when he attends the conference he will give very serious consideration to the views of the representatives of the provinces. We trust that as a result of the conference in Regina the water requirements of the prairie provinces will be assured for all time to come.

Item agreed to.

65. Fraser river—federal expenditures in connection with investigation to be carried out by the Fraser river board, $65,000.

Mr. Patterson: For several years now, the Fraser river board has been making surveys and doing studies regarding the use of the Fraser river, and looking at it from various points of view. I was wondering whether the minister could indicate now just when it is expected the Fraser river board will be able to make its final report? I understand that the work is essentially completed and I thought the report would have been brought in before this.

Mr. Laing: Mr. Chairman, I understand that the report has been completed and is being prepared and printed now. I understand it will be delivered to the government in January or February. We have had some indication of its contents in preliminary reports, and I believe it will be a report of exceeding importance.

The hon. member knows, as I know, that in the great 1948 flood many characters of the entire river were changed. We had sandbars that disappeared at one point and came up in other places. Thereafter, a considerable amount of money was spent by the governments of Canada and British Columbia in reinforcing and raising dikes. There is a general admission that in an extraordinary year such as we have known before, the Fraser valley could be flooded again. I believe it is imperative that action be taken upon this report, and it will certainly be the intention of the government to be guided by the report when it is received, in co-operation with the provincial administration.

Item agreed to.

Northern branch administration—

75. Branch administration including authority to make recoverable advances for services performed on behalf of the governments of the Northwest Territories and the Yukon Territory, $1,092,800.

[*Translation*]

Mr. Pigeon: Mr. Chairman, I would like to get a little information concerning the Eskimo affairs. I would like to ask the minister whether it is the intention of the government to offer in 1964 a gift to the province of Quebec, and more particularly to Mr. Rene Levesque, and to entrust the province with the administration of the Eskimo affairs?

I gather that some employees of the Department of Northern Affairs and National Resources and employees of the Hudson's Bay Company as well exert pressures and tell the Eskimos to beware of the government of the province of Quebec, because if the latter takes over the administration of their affairs, they will lose plenty by that very fact.

Mr. Chairman, I believe that if that is correct, it is a most disgraceful form of blackmailing, and it should not be allowed to take place.

I am also informed that some textbooks used to teach Eskimos come from the United States. I would appreciate it if the minister would check those facts.

Mr. Chairman, when Newfoundland joined confederation, the administration of Eskimo and Indian affairs was put in the hands of the government of that province. Now, I wonder why the same procedure could not be followed with the government of the province of Quebec?

I conclude with these remarks, as I would not like to delay the passage of the estimates. However, I would appreciate it if the minister would tell us what he intends to do in 1964.

[*Text*]

Mr. Laing: Mr. Chairman, this has been a very involved and, I think for both governments, a somewhat embarrassing question, in that there seemed to be a very honest feeling on the part of the government of Quebec that the demands of industrial developments in what they called "Nouveau Quebec" made it necessary for them to go in and administer the area. Indeed, they have, in respect of the development of lands, control of properties, police and so on. I want to assure the hon. member for Joliette-L'Assomption-Montcalm that up until very recently the interest of the province of Quebec in that area was practically negligible. Indeed, the federal government had gone in as a result of an award, as I would call it, of the Supreme Court of Canada in 1939 by which they deposed that Eskimos were a tribe of Indians and the federal government had responsibility for looking after them. The federal government has been in there ever since.

I think, in the main, we have done a very good job. We have at present almost $3 million worth of buildings, including schools. The annual cost of education and welfare of the Eskimos of the area amounts to approximately $1,800,000 per year. There was a request by the province of Quebec that we vacate the field to them, including the buildings. I made a trip there to see what the reaction was. I found that the Eskimos made the following demands upon me, that no change from the federal administration to provincial control be made without further consulting them. I found that their opinions were so definite that I told them we would not make a change without discussing the situation further with them. They said that they were eminently pleased with the federal administration; that there had been exceedingly rough times when many people had starved, and today people were no longer starving. They did not want a change made.

The province of Quebec sent in its officials, and I want to assure my hon. friend we gave instructions immediately to our people on the ground to co-operate with them in every respect. They have done so. I cannot credit that any of our people endeavoured to develop animosity amongst the Eskimos to the people from Quebec, and I do not believe the Hudson's Bay officials have done that. I have no doubt that continuing discussions will take place between us and the province of Quebec. We are quite prepared to go on with those. But I have made this commitment, and I do not want to involve the people who, in the interests of the government here and the government of the province of Quebec, are protecting the Eskimo people in an area where the resources seem very slight indeed. It is an area where a great number of people, I think, would have to be accommodated with houses, because I have seen some there who had no shelter whatever from the weather.

I say the arrangements between the governments, I have found honourable in every respect, and I think they will continue that way in whatever we do.

Mr. Pigeon: May I have an answer to the question of school books from the United States?

Mr. Laing: There are about 2 per cent of the books that are from the United States, and they were donated to libraries. Some of them have been donated from the United States, but less than 2 per cent of the books are United States books.

Mr. Pigeon: Why?

Mr. Laing: They were donated to libraries.

Mr. Churchill: In view of the circumstances could item 75 be held open? The hon. member for Yukon, who is taken a bit by surprise by developments tonight, has some remarks to make on this department. If the minister has to be absent on some public occasion, the parliamentary secretary could be available, and that would be satisfactory.

Mr. Pickersgill: I am sure that would be acceptable, sir, on the understanding the minister would be excused from being here if public business required his presence elsewhere. We would be glad to let the item stand.

Item stands.

80. **Education division—administration, operation and maintenance including authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the share of the**

government of the Northwest Territories of expenditures on education and vocational training, $5,702,500.

Mr. Fisher: I want to ask the minister what decision he has come to about the three recommendations of the Glassco commission in connection with educational services offered in the north?

Mr. Laing: A number of recommendations made by the Glassco commission in respect of the north are still under study and active consideration.

Mr. Fisher: More specifically, could the minister say what is being done on the two that seem to me to require very little in the way of spending? One was the new co-ordination of the curricula used, and the other was the fact that the northern adult education program needed to be revised and administered in a different way.

Mr. Laing: Both of those are under active review and I would say that very probably improvements will be made in the new year.

Item agreed to.

90. Welfare and industrial divisions—administration, operation and maintenance including $20,000 for grants to Eskimos towards acquisition of boats for commercial fishing or resources harvesting and to authorize the Minister of Northern Affairs and National Resources to provide, in respect of Eskimo commercial activities, for the instruction and supervision of Eskimos, the furnishing of materials, the purchase of finished goods, and, notwithstanding any other act, the sale of such finished goods, $3,074,400.

Mr. Fisher: I have the same question in connection with this vote. The Glassco commission made three recommendations. The first referred to a positive program for the rapid transfer of Indian health care for Indian communities and populated areas. I see no indication that this has been taken up by the department. As a matter of fact, I have seen indications where the spending program is going ahead with nursing homes and hospitals in populated areas where there are communities. The second recommendation was that medical and dental care be arranged through private practising physicians in the communities. I know something was done about this with regard to dentists on the prairies, but not much with regard to the physicians. The third recommendation dealt with the referral hospitals at Edmonton and Sardis, British Columbia. Could the minister comment on those recommendations?

Mr. Laing: Those matters are under review at the present time and are being studied intensively, particularly the matter of the referral hospitals, and I am speaking of the Camsell hospital in Edmonton.

Mr. Fisher: How long are these reviews going to take because these reports have been out for some time? I understand Dr. Davidson, who is experienced in these fields has been leading the consideration through a special administrative agency. I would have assumed that by now in view of the length of time some decisions could have been taken.

Mr. Laing: I must say there are some very real limits on some of the recommendations made by the Glassco commission in respect of resident doctors and dentists. Anyone who knows the north country knows there is not too much practical application to that recommendation, because there are not many doctors there. As a matter of fact, we have some nursing posts where there are no doctors at all, but the nurses are doing a magnificent job on our behalf. However, I can assure the hon. member that the recommendations of the report are being taken very seriously, and studies are being made in all these matters.

Before we close off these estimates, Mr. Chairman, I would like to have the opportunity of reverting to a matter which the hon. member for Port Arthur was permitted to discuss, item No. 120, that we passed the other night out of its proper order and place. I have had an opportunity of studying *Hansard* since, and I want to state my position in reference to my deputy minister, about whom the hon. member for Port Arthur had a considerable amount to say.

He said, among other things, that Mr. Cote was deeply involved in bringing Dr. Rousseau into the museum, and that he was also deeply involved in all recriminations which followed. He went on to say:

I would judge from some of the things in which he has been involved that he has no idea where the museum should be going.

I feel, Mr. Chairman, that unless I answer these charges there will be a sinister connotation attributed to the actions of my deputy. I want to assure the hon. member and the committee that I have every confidence in my deputy. If it were not so I would not be in this post, or he would not be in his. I am going to suggest to the hon. member that everything Mr. Cote did, he did because he wanted to fulfil the directions and the policies of his minister, and because I have that confidence in him that he will endeavour to carry out those things I have in mind, I want to put this defence of him on the record tonight.

Mr. Fisher: Since the minister has been given the opportunity to do this I would just like to say I do not disagree with the fact that he should place confidence in Mr. Cote, but from a review of the proceedings I would

like to point out that Mr. Cote was not the deputy minister at the time. He was the assistant deputy minister. It was not Mr. Robertson, the deputy minister, but the assistant deputy minister who had almost all the dealings with the museum, right from the time the whole Rousseau appointment came out; and in all the interference that took place with all the dissatisfied parties throughout those years it was Mr. Cote who was involved. In the whole question of whether Dr. Russell was going to leave or stay, again it was Mr. Cote. Since he was the one permanent administrator of the department involved in those matters, all the way through from the time Mr. Lamontagne, Mr. Lesage and Dr. Barbeau were supposed to have got the idea of bringing Dr. Rousseau in, right up to the resignations of MacNeish and Russell, I feel that the responsibility for the, I think, sick human affairs side of the museum rests upon Mr. Cote.

That is the reason I put the thing the way I did. I felt I could not make any comment on what he may be doing in the rest of the department, but the minister could not make a better move than to go ahead with his plans to get one director, one person in charge of the museum, and then deal with him directly or through another assistant deputy minister.

Item agreed to.

Resolutions adopted in committee of supply this day reported and concurred in.

Mr. Gregoire: I wonder would the Secretary of State be prepared to continue with some other business, some other pieces of legislation that we might deal with tonight?

Mr. Knowles: Ten thirty.

Mr. Pickersgill: Mr. Speaker, perhaps the house would like to oblige me by passing the bill concerning the Newfoundland Savings Bank Act, because I am sure we could do that in 30 seconds.

Mr. Knowles: Just because it is almost Christmas, we will agree.

NEWFOUNDLAND SAVINGS BANK ACT

REPEAL OF LEGISLATION

Hon. J. W. Pickersgill (for the Minister of Finance) moved the second reading of Bill No. S-4, to repeal the Newfoundland Savings Bank Act, 1939.

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

[Mr. Fisher.]

On clause 1—*Repeal of the Newfoundland Savings Bank Act.*

Mr. Knowles: Mr. Chairman, how long has this bank been out of business?

Mr. Pickersgill: I cannot remember exactly, Mr. Chairman, but it is certainly between two and three years. It was sold to the Bank of Montreal and some of the profits were used to help the fishermen.

Clause 1 agreed to.

Clauses 2 and 3 agreed to.

Title agreed to.

Bill reported.

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

Mr. Knowles: By leave.

Mr. Pickersgill moved the third reading of the bill.

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

Mr. Knowles: Ten thirty.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, could we have the business for tomorrow.

Mr. Pickersgill: Tomorrow we will take the third reading of the two bills that were stood over today, and I will endeavour to make absolutely sure that we check carefully to see that the French version is the same in both bills. Having done that—

Mr. Churchill: Don't leave it to the hon. member for Lapointe (Mr. Gregoire) to do that.

Mr. Pickersgill: —pursuant to the order of the house made on Saturday night we will move to go into supply at once, without question put, for the purpose of taking the estimates of the Minister of Public Works, of completing the estimates of the Minister of National Health and Welfare and of moving on from there and completing the estimates of the Minister of Fisheries; and then, if possible, those of the Minister of Labour.

As for Wednesday, whether or not we have finished all these other departments, I think we should go on, as I indicated last Saturday, first with the post office, then with legislation and then with national revenue. I think we ought to discuss after that what will be done from then on.

Mr. Knowles: Mr. Speaker, I wonder whether the Secretary of State would say

what has happened to the plans for the C.N.R. financing bill and the world fair bill.

Mr. Pickersgill: I thank the hon. gentleman; I did forget about the C.N.R. financing bill. That bill will be taken tomorrow before we go into supply, after the third readings. We will go into supply immediately after that.

Mr. Knowles: But not the world fair bill?

Mr. Pickersgill: Not the world fair bill; we are not going to proceed with that tomorrow. I believe, too, there is general agreement, which could be recorded now and made an order of the house, that on Thursday, instead of the house beginning its sitting at 2.30 in the afternoon we would begin at eleven o'clock in the morning.

Mr. Churchill: We agree to that arrangement for Thursday.

Mr. Deputy Speaker: Is it agreed that on Thursday the house will commence its sitting at eleven o'clock in the morning?

Some hon. Members: Agreed.

Mr. Knowles: This is understood. We agree.

It being thirteen minutes before eleven o'clock the house adjourned, without question put.

[The following items were passed in committee of supply this day:]

NORTHERN AFFAIRS AND NATIONAL RESOURCES

Water resources branch—

65. Fraser river—Federal expenditures in connection with investigations to be carried out by the Fraser river board, $65,000.

70. Contributions to the provinces towards the construction of dams and other works to assist in the conservation and control of water resources in accordance with agreements entered into between Canada and the provinces, $7,735,000.

72. Nelson river study—Expenditures in connection with investigations to be carried out in accordance with an agreement entered into between Canada and Manitoba, $450,000.

55. Administration, operation and maintenance including Canada's share of the expenses of the international executive council, world power conference, and authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the shares of the province of Manitoba and of the province of Ontario of the cost of regulating the levels of Lake of the Woods and Lac Seul and the amount of the shares of provincial and outside agencies of the cost of hydrometic surveys, $1,762,100.

55a. Administration, operation and maintenance, $31,400.

60. Construction or acquisition of buildings, works, land and equipment and authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the shares of provincial and outside agencies of the cost of hydrometric surveys, $306,500.

61. Studies and surveys of the Columbia river watershed in Canada, $41,000.

Northern administration branch—

Education division—

85. Construction or acquisition of buildings, works, land and equipment including authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the share of the government of the Northwest Territories of expenditures on education and vocational training, $2,889,000.

80. Administration, operation and maintenance including authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the share of the government of the Northwest Territories of expenditures on education and vocational training, $5,702,500.

Welfare and industrial divisions—

90. Administration, operation and maintenance including $20,000 for grants to Eskimos towards acquisition of boats for commercial fishing or resources harvesting and to authorize the Minister of Northern Affairs and National Resources to provide, in respect of Eskimo commercial activities, for the instruction and supervision of Eskimos, the furnishing of materials, the purchase of finished goods and, notwithstanding any other act, the sale of such finished goods, $3,074,400.

95. Construction or acquisition of buildings, works, land and equipment including authority for a program of construction or acquisition of housing for Eskimos and the sale of houses to Eskimos on such terms and conditions and at such prices as the governor in council may approve, $1,488,000.

Yukon Territory—

100. Operation and maintenance including grants and contributions as detailed in the estimates, $1,541,400.

100a. Operation and maintenance—To extend the purposes of vote 100 of the main estimates for 1963-64 to increase the grant detailed in these estimates, $75,000.

105. Construction or acquisition of buildings, works, land and equipment, $2,549,000.

Northwest Territories and other field services—

110. Operation and maintenance including grants and contributions as detailed in the estimates and authority to make recoverable advances for services performed on behalf of the government of the Northwest Territories and to sell electric power and fuel oil (and to provide services in respect thereof), in accordance with the terms and conditions approved by the governor in council, to private consumers in remote locations where alternative local sources of supply are not available and to authorize, in accordance with regulations of the governor in council, amounts to be credited to the Northwest Territories revenue account in the current and subsequent fiscal years equal to the aggregate of amounts deducted from time to time in lieu of fuel oil tax under the crown-owned housing regulations from the salaries of persons employed by Her Majesty in right of Canada in the Northwest Territories who occupy living accommodation owned by Her Majesty for which heat generated by fuel oil is provided by Her Majesty, $6,868,700.

110a. Operation and maintenance—To extend the purposes of vote 110 of the main estimates for 1963-64 to include the contributions detailed in these estimates, $1,518,413.

Supply—Items Passed

110d. Operation and maintenance—To extend the purposes of vote 110 of the estimates for 1963-64 to include the contribution detailed in these estimates and authority for the commissioner of the Northwest Territories in council to make ordinances, notwithstanding the Northwest Territories Act, for the lending of money by the said commissioner to any person in the territories for the purpose of enabling students to attend university, $1.

115. Construction or acquisition of buildings, works, land and equipment including costs arising out of the relocation of the town of Aklavik and payment of such compensation as the governor in council prescribes to persons affected by such relocation, $7,308,000.

Loans, investments and advances—

L35. To extend the purposes of the Eskimo loan fund established by vote 546 of the Appropriation Act No. 3, 1953, as amended, to allow the making of loans to Eskimos for the purpose of purchasing housing and to increase to $600,000 the amount that may be charged at any one time to the said fund; additional amount required, $250,000.

L35a. To authorize loans to the government of the Northwest Territories, in the current and subsequent fiscal years, in accordance with terms and conditions prescribed by the governor in council, for the development of a townsite at Pine Point, Northwest Territories, $450,000.

L38a. To authorize loans to the government of the Northwest Territories, in the current and subsequent fiscal years, in accordance with terms and conditions prescribed by the governor in council, for the development of a new subdivision near Hay River, Northwest Territories, $500,000.

Northern Canada power commission—

L40. Advances to the Northern Canada power commission for the purpose of capital expenditures in accordance with subsection (1) of section 15 of the Northern Canada Power Commission Act, $2,765,000.

L45. Advances in accordance with agreements entered into pursuant to the Atlantic Provinces Power Development Act, $13,121,000.

HOUSE OF COMMONS

Tuesday, December 17, 1963

The house met at 2.30 p.m.

COMMITTEES OF THE HOUSE

MISCELLANEOUS PRIVATE BILLS—FOURTEENTH REPORT OF STANDING COMMITTEE

Mr. Ian Grant Wahn (St. Paul's) presented the fourteenth report of the standing committee on miscellaneous private bills, and moved that Bill No. S-45 be placed on the order paper for consideration in committee of the whole later this day.

Motion agreed to.

BANKING AND COMMERCE—FOURTEENTH REPORT OF STANDING COMMITTEE

Mr. Edmund Asselin (Notre Dame de Grace) presented the fourteenth report of the standing committee on banking and commerce, and moved that Bill No. S-47 be placed on the order paper for consideration in committee of the whole later this day.

Motion agreed to.

INDUSTRY

HEAVY WATER—REPORT ON NEW PRODUCTION METHOD

On the orders of the day:

Hon. George C. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, I would like to ask a question of the Minister of Industry. The minister informed the house the other day that Atomic Energy of Canada Limited had a team of experts in Toronto studying the proposals made by the British American Oil Company with respect to the manufacture of heavy water, and he hoped that he would have a report by Monday. I wonder has the minister had a report on this matter, and would he be prepared to report to the house at this time?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I have received a report from Atomic Energy of Canada Limited with respect to the British American Oil company process for the manufacture of heavy water. The report makes clear that British American have not developed their prospective process to a point which would warrant changing the decision announced in the house on December 2 last. Accordingly the negotiations between Deuterium Corporation of Canada Limited and A.E.C.L. leading toward a definitive contract are continuing on the basis of that statement.

REQUEST FOR GOVERNMENT ACTION TO ASSIST AIR INDUSTRY

On the orders of the day:

Hon. Paul Martineau (Pontiac-Temiscamingue): Mr. Speaker, I have a question for the Minister of Industry. Does the government intend to take any action to meet the situation exposed in the brief submitted by the air industry association of Canada, in which that association declared the air industry to be in a very precarious position and that drastic action should be taken by the government now?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I have had an opportunity to read this important brief. The government recognize that serious study must be given to the situation of the air industry in Canada, and such study is presently going on.

SHIPPING

INQUIRY AS TO REPAIRS TO COASTGUARD SHIP "NANOOK"

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I want to direct a question to the Minister of Transport, and ask him whether the department has cancelled its order for the building of C.C.G.S. *Nanook* in the Pictou shipyard. If so, what is the reason for this action?

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, there was never any order for building the ship. It is a ship which was damaged in the ice in the north this summer, and tenders were called for the repair work on it. The lowest bidder was the yard at Pictou but the cost, as revealed by the competitive tenders, is so high in relation to the two weeks of work required of this ship in the summer in the Hudson strait that it was decided to delay the work, because it can always be done later if it is found necessary to do it. But in view of the prospective use of

the ship it was thought inadvisable to go ahead with the work at that enormous cost.

Mr. Douglas: As a supplementary question, in view of the high amount of unemployment in that area would the minister be prepared to reconsider the department's decision in that regard?

Mr. McIlraith: I am very well aware and very conscious of the high unemployment in the area. That is why I was so pleased yesterday with the public announcement of the contract for building flat cars there. But the point here is that it is very difficult to justify a repair bill of that sort for two weeks' use of a ship in the summer as living quarters for the crew while working unloading freight in the north, when there are other ships available that do not require any such expenditure.

Mr. H. Russell MacEwan (Pictou): A supplementary question, Mr. Speaker. Having regard to the minister's answer, would he at least see that this ship is left in the port of Pictou until a decision is made on whether to go ahead with repairs at a later date? I ask this question because I understand his department has decided to remove the ship from there, and of course if repairs were called for later the port would be iced in. Would the minister consider leaving the ship there for the present?

Mr. McIlraith: Yes, Mr. Speaker, I would be very glad to do that.

POSSIBLE WORKS IN LAKE ST. PIERRE TO AID WINTER NAVIGATION

On the orders of the day:

[*Translation*]

Hon. Leon Balcer (Three Rivers): Mr. Speaker, I wish to direct a question to the Minister of Public Works. Can he tell us whether his department intends to build dams or have other engineering works done in the amount of $60 million, on St. Peter lake, in order to make winter navigation possible on the St. Lawrence river as far up as Montreal?

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, no such project was mentioned.

Mr. Balcer: Mr. Speaker, I should like to ask a supplementary question. Can the Minister of Public Works tell us whether such surveys were made by the engineers of his department these last few months?

Mr. Deschatelets: I do not know about that, Mr. Speaker. I will inquire and report to the hon. member.

[*Text*]

ADMINISTRATION OF JUSTICE

COFFIN CASE—REQUEST FOR APPOINTMENT OF ROYAL COMMISSION

On the orders of the day:

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, I should like to direct a question to the Minister of Justice. Has the minister or his legal advisers finished reading and analysing Jacques Hebert's book entitled "J'accuse les assassins de Coffin"? If so, have they come to the conclusion that a royal commission must be set up?

Hon. Lionel Chevrier (Minister of Justice): Yes, Mr. Speaker, the high officials of the department have finished reading the book, but they are now examining the lengthy departmental file concerning the decision taken in 1956 to refuse the commutation.

There are two aspects to this question. First there is the purely provincial aspect and, considering it, there does not seem to be any reason to make an investigation in that field.

With regard to the commutation or rather the decision not to commute the sentence, I am studying, in co-operation with the officials of my departments, what happened prior to the refusal to commute the sentence, and I hope to be able to make a statement in that regard before the adjournment of the house.

[*Text*]

Mr. Reid Scott (Danforth): A supplementary question, Mr. Speaker. I wonder whether the minister can tell us if he has recently received any representations from the government of the province of Quebec, or anybody on its behalf, expressing its views in this matter.

Mr. Chevrier: I am sorry, Mr. Speaker, I did not hear the last part of the question. Expressing what?

Mr. Scott: Expressing the views of the government of the province of Quebec in this matter.

Mr. Chevrier: No, Mr. Speaker, I have received no representations from the government of Quebec.

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): A supplementary question, Mr. Speaker.

Mr. Speaker: If the supplementary question is really urgent I will allow it, but I do not think even the original question was urgent.

Mr. Pigeon: My supplementary question is, Mr. Speaker.

[*Translation*]

The Minister of Justice stated that the officials of his department have finished reading Mr. Jacques Hebert's book. Is he in a position to tell the house whether the allegations of Mr. Hebert are false or true?

Mr. Chevrier: No doubt I should have specified in my answer—and I thought I did so—that besides having finished that reading, they are now considering what happened and what is contained in a bulky file, in connection with the statements contained in Mr. Hebert's book.

[*Text*]

[*Later:*]

Mr. Scott: Mr. Speaker, I have a question for the Minister of Justice related to his answers earlier in the day on the Coffin murder case, and in particular the suggested constitutional crisis between the then prime minister and the governor general. Did the minister investigate the alleged two day interval between the decision not to commute the sentence and the refusal or alleged refusal of the governor general to sign the necessary document?

Mr. Chevrier: Mr. Speaker, I indicated the other day that I had communicated with the then prime minister, and I gave his report to the house. I was sorry that one newspaper report indicated that I had used the word "indignant" in respect of Mr. St. Laurent's conversation with me. That was not so. The reply I got from Mr. St. Laurent was not in the slightest degree one which denoted anything like that. He simply denied the report, and I am sure that as far as the house and the country are concerned that denial will have been accepted.

I might add that I did ask my officers to look at the records to ascertain if there had been any unusual delay in the matter. I find the facts to be as follows. The cabinet arrived at its decision on February 7, 1956. The order in council pertaining to the decision not to interfere with the sentence is dated February 8, 1956, and this decision was communicated to the provincial authorities early in the morning on February 9, 1956. The telegram from the sheriff confirming receipt of such advice was dispatched from Montreal at 10 a.m. on February 9, 1956. This contradicts and seems to dispose of the allegation that the governor general held the matter up for two days.

[*Translation*]

A moment ago, Mr. Speaker, when I answered a question directed to me by the hon. member for Villeneuve (Mr. Caouette), I might have perhaps expressed myself badly if I said that there was no question of a provincial investigation. I meant that I did not believe that the federal government should investigate on the provincial aspect of the matter.

[*Text*]

DEFENCE PRODUCTION

CALGARY—CONTRACT FOR REPAIR OF GOVERNMENT AIRCRAFT

On the orders of the day:

Hon. D. S. Harkness (Calgary North): Mr. Speaker, I should like to address a question to the Minister of Industry. Has the government informed the C.P.A. Repair Company at Lincoln Park, Calgary, that their contract for the repair of R.C.A.F. and other government aircraft will not be renewed when it runs out in March, I believe, of 1964?

Hon. C. M. Drury (Minister of Industry): I do not know the answer to that question. I would be glad to take it as notice.

INQUIRY AS TO CONVERSION OF DESTROYER ESCORTS

On the orders of the day:

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, I have a question for the Minister of Industry and Defence Production. Has a decision been made yet whether the conversion of the remaining St. Laurent class destroyer escorts will be carried out in the west coast shipyards?

Hon. C. M. Drury (Minister of Industry): No, Mr. Speaker.

Mr. Chatterton: Can the minister say when this decision may be expected?

Mr. Drury: As soon as possible.

FINANCE

SALE OF CANADIAN BANK SHARES TO FOREIGN PURCHASERS

On the orders of the day:

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): I wish to address a question to the Minister of Finance. Has the minister's attention been drawn to a report in today's *Gazette* regarding the possibility of the sale to interests abroad of shares in a Canadian bank? Will he tell the house whether this would require the authorization of the government, and, if so, is the government prepared to grant such authorization?

Hon. Walter L. Gordon (Minister of Finance): I have not seen that report. The answer to the second part of the question is that the government has no authority under any

existing legislation to prevent the sale of any corporation or the sale of any other property to anyone.

[*Later:*]

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a question for the Minister of Finance. In view of the reported intention of the Toronto-Dominion Bank to dispose of part of its assets to a foreign bank, and in view of the prohibition under section 99, subsection 2, of the Bank Act against such a transaction taking place without the minister's consent, can the minister tell us whether he is prepared to give consent to such a transaction if an application is made?

Mr. Gordon: Mr. Speaker, there has been a certain amount of rumour that certain transactions of the Toronto-Dominion Bank might or might not be considered. The Toronto-Dominion Bank made an announcement at 11.15 this morning which perhaps hon. members have not seen. The announcement stated that the Toronto-Dominion Bank was making an investment in a bank to be known as the Midland and International Banks Limited, with head office in London, England, the other participants being the Midland Bank Limited, Standard Bank Limited of London, England and the Commercial Bank of Australia Limited. I do not know anything about any disposition of the assets of the Toronto-Dominion Bank. If there were any such contemplated, they would be dealt with in the ordinary course under the provisions of the law.

Hon. George C. Nowlan (Digby-Annapolis-Kings): I have a supplementary question on this matter which I believe should be directed to the Minister of Trade and Commerce. I have not given him notice of this question. As the Minister of Finance said, a statement was issued by the Toronto-Dominion Bank at 11.15 this morning, with some preliminary rumours yesterday that some momentous statement was forthcoming; therefore I have not given notice to the minister of my intention to ask this question but he may take it as notice.

In view of the statement made at 11.15 that the Toronto-Dominion Bank, in association with banks in the United Kingdom and Australia, were forming a gigantic corporation for the financing of exports throughout the world, may I ask if this will be supplementary to or in competition with our export credits insurance.

Hon. Mitchell Sharp (Minister of Trade and Commerce): As the hon. gentleman has said, I have not had an opportunity to think about this question. My offhand opinion would be that there is room in this country for enlarged facilities for the financing of the export trade. I would hope that is the effect of this transaction.

TRANS-CANADA AIR LINES

WINNIPEG—EMPLOYMENT AT OVERHAUL AND MAINTENANCE BASE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct question to the Prime Minister. I am sorry he is not wearing the button that was given to him this morning. In view of the failure of the government and the delegation from Manitoba to reach a meeting of minds this morning with respect to the T.C.A. maintenance and overhaul base at Winnipeg, can the right hon. gentleman say what steps the government will now take to allay the dismay which all of us from Manitoba feel over this matter?

Right Hon. L. B. Pearson (Prime Minister): I do not feel there was a failure to reach a meeting of minds, and I do not think there is any cause for dismay with regard to the matter which the hon. member has mentioned.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Will the Prime Minister give an assurance that a public inquiry will be undertaken, as suggested by the premier of Manitoba, concerning the proposed reduction of employment in this overhaul and maintenance base in Winnipeg? I suggest this is something which the Prime Minister could do and ought to do in all the circumstances.

Mr. Pearson: The proposal which has been made will, we hope, lead to no reduction in employment but to the maintenance of employment, so the question was wrongly phrased in that respect. As far as an inquiry into the matter is concerned, I told the premier this morning I would discuss with him whether there should be such an inquiry, what the terms of reference of such an inquiry might be, and whether it should be held by the provincial or the federal government.

Mr. Diefenbaker: I thank the Prime Minister for his general observations. May I ask, however, whether he will accept a public inquiry by the government of Canada jointly with the government of Manitoba to inquire into the peregrinations of this problem which have taken place since he took office.

Mr. Pearson: I have already stated I would discuss this matter with the premier of Manitoba, and the right hon. gentleman should surely realize that that is the proper way to proceed in a matter of joint interest of this kind.

Mr. David Orlikow (Winnipeg North): In November the Prime Minister made a statement that employment in Winnipeg would not be reduced. In January the former minister said there would be a freeze of jobs. Close to 200 jobs had disappeared in Winnipeg. Can the government direct T.C.A. to maintain the freeze until a policy is worked out?

Mr. Pearson: As I have already said, it is the policy of the government to do everything possible to maintain employment at the T.C.A. base in Winnipeg and, if possible, to increase it.

Mr. Orlikow: Would the Prime Minister convey that desire of the government to Mr. McGregor, who is ignoring it?

Mr. Pearson: I would be very glad to do that, and also to convey to him the proceedings at the meeting this morning.

Mr. Knowles: Is the Prime Minister aware that while this policy is in effect, employment at the base in Winnipeg is declining?

Mr. Pearson: I have asked for the figures with regard to employment in the base at Winnipeg, and for the figures of any decrease in T.C.A. employment in Winnipeg over the years. While there has been some decrease in recent months, there has also been a considerable increase in employment compared with ten years ago.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, in view of the Prime Minister's statement that there has been some progress in recent months, may I ask him to clarify this particular point. I put a written question on the order paper on November 13, which was answered. The question read as follows:

> How many personnel have been transferred from the T.C.A. overhaul and maintenance base in Winnipeg to Montreal since April 22, 1963?

The answer given by the Minister of Transport was:

> The management of Trans-Canada Air Lines advise as follows. During the period in question there have been five transfers, all of supervisory category, four of these at the individual's request and one at company request. No non-supervisory personnel have been transferred in the period.

In view of that answer, and in view of the statement made by the delegation this morning at the meeting which the Prime Minister attended that 170 people have been transferred in this interval, would it not be wise to have a public inquiry to get the facts of the case?

Mr. Pearson: The information, Mr. Speaker, given to us this morning will be taken up with T.C.A. We will check the information against that which is available to T.C.A. and do our best to clear up this matter.

[*Later:*]

Hon. Leon Balcer (Three Rivers): I have a question for the Prime Minister. Earlier the Prime Minister indicated he would send a report of the meeting this morning with the Winnipeg representatives to the president of T.C.A. Will he, at the same time, send to the president of T.C.A. any recommendations made by the cabinet or himself?

Mr. Pearson: Mr. Speaker, if there are any recommendations to be made as a result of this morning's meeting, of course we will be glad to send them to the president of T.C.A.

Mr. Churchill: I should like to direct a question to the Minister of Transport relating to a statement he made on November 22, page 5055 of *Hansard,* to the effect that in the last ten years employment in T.C.A. at Winnipeg has increased by 23 per cent. This morning one member of the Manitoba delegation referred to that statement and said employment had decreased by 14 per cent. Was the minister misleading the house in his statement of November 22?

Hon. G. J. McIlraith (Minister of Transport): No, the minister spoke quite accurately. This morning that particular member of the delegation, in referring to 14 per cent, was making a point about the overhaul and maintenance base at Winnipeg and dealing with a different period of time.

STATEMENT OF PRESIDENT RESPECTING CARAVELLE AIRCRAFT

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 Prime Minister. Does the government share Mr. McGregor's opinions concerning the Caravelle aircraft and the qualifications of French speaking Canadians.

[*Text*]

UNITED NATIONS

COMMONWEALTH SEAT ON SECURITY COUNCIL

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct a question to the Prime Minister. It concerns the answer the Prime Minister gave to a supplementary question asked by the hon. member for Medicine Hat yesterday concerning the commonwealth seat on the security council. As reported at page 5927 of *Hansard* the Prime Minister replied:

> Mr. Speaker, that question has not arisen and will not arise as long as there is an understanding that there should be a commonwealth seat on these councils.

Inquiries of the Ministry

My question is, is the Prime Minister telling the house that there is now an informal understanding at the United Nations that there will be a commonwealth seat in future, not only on the general committee but also on the security council and on the economic and social council?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the fact that the commonwealth has been represented on all these agencies, as my hon. friend knows, since the beginning of the United Nations shows that there has indeed been such an understanding up to the present. We hope that understanding can continue, and that if any change is made in these agencies the commonwealth will continue to have a seat on them.

Mr. Nesbitt: A supplementary question. I take it from the answer of the Prime Minister, then, that there is no assurance that this gentlemen's agreement on the informal seating arrangements on the security and economic and social councils will be continued?

Mr. Pearson: Mr. Speaker, it is very difficult indeed to give that kind of assurance when the commonwealth itself is divided on the matter.

AIR TRANSPORT

SUGGESTED CONNECTION OF AIR TRAGEDIES WITH AIR TURBULENCE

On the orders of the day:

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, I should like to ask the Minister of Transport whether he has an answer to the question I asked him the other day about jet planes and air turbulence.

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, as I recall the question it had to do with air turbulence in connection with the accident involving a jet aircraft. I want to assure the hon. member that no possible cause is being overlooked in the investigations that are now going on into the aircraft accident which he mentioned. Air turbulence is one of the possible causes that are being examined, and is receiving careful attention along with many others.

CANADIAN OBSERVERS AT INVESTIGATION INTO RECENT U.S. CRASH

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, on December 14 I asked the Minister of Transport a question which he took as notice. I wonder if he can answer it now.

Hon. G. J. McIlraith (Minister of Transport): Yes, Mr. Speaker. The hon. member asked me whether any of the technical personnel from the Department of Transport were in the United States as observers in connection with the investigation into the recent crash of a Boeing 707. The answer is that since Canada is not involved in either the operation or the manufacture of this type of aircraft, and since the full results of the United States investigation will be available to us in any event, we have not requested any invitation to participate in the investigation.

CANADIAN NATIONAL RAILWAYS

LONDON, ONT.—CONTINUED OPERATION OF CAR SHOPS

On the orders of the day:

Mr. C. E. Millar (Middlesex East): Mr. Speaker, may I direct a question to the Prime Minister, notice of which has already been given. Would the Prime Minister confirm a statement in the London *Free Press* of Friday, December 13, 1963, by the president of the London Liberal association to the effect that he had received assurances from the Prime Minister and the cabinet that the present operation of the C.N.R. car shops in London will continue and possibly be expanded in the future, and that they will not be closed in 1965 as had been originally planned?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I received notice of the hon. gentleman's question just before I came into the house. To my knowledge I have received no such representations or requests from the gentleman named in the report, but I understand representations were made to the Minister of Transport and I believe he has taken up the matter with Canadian National Railways.

Mr. Millar: A supplementary question. Could the Prime Minister say whether these assurances have been given?

Mr. Pearson: Mr. Speaker, to my knowledge I have received no such request for any such assurance, but I will be glad to make a further investigation because, as I say, I got the hon. gentleman's question just before I came into the house.

HOUSE OF COMMONS

INQUIRY AS TO COMMENCEMENT OF NEW SESSION

On the orders of the day:

Mr. L. E. Cardiff (Huron): Mr. Speaker, I should like to direct a question to the Prime Minister. Can he give any indication now

when the house will be reassembling in January or February, or whenever it may be?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have nothing to add to what I said yesterday. I would hope that by Thursday we will be in a position to know when we are likely to finish this session, and then be able to announce before the end of the session our plans for a return in January or February.

RETENTION OF SESSIONAL STAFF DURING RECESS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wonder if the Secretary of State has an answer yet to the question I put to him on December 11. My question related to the intersessional period and the retention of messengers, page boys, and other members of the House of Commons staff.

Hon. J. W. Pickersgill (Secretary of State): Yes, sir, I have. I understand, and perhaps I should have known this, that the decision of the commissioners of internal economy, the decision to which I referred on December 10 with respect to members' secretaries, applies to all sessional employees who may wish to work during the interval between this session and the next one. That means there will be continuous employment for the whole staff between this session and the next one.

REQUEST FOR IMPROVED QUARTERS FOR INTERPRETERS

On the orders of the day:

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, in the classic phrase, while I am on my feet may I also reply to a question asked on Saturday, December 14 by the hon. member for Quebec West about better accommodation for the interpreters. The hon. gentleman suggested that the room in which they are housed is small and very cold, and inquired whether they would get a new room. I am told it is the intention not to give them a new room but to increase the size of their present room—I do not know exactly how—and to put some heaters in so that they can be comfortable.

HEALTH AND WELFARE

POLIOMYELITIS—REQUEST FOR STUDY OF SITUATION IN QUEBEC

On the orders of the day:

[*Translation*]

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, I should like to put a question to the Minister of National Health and Welfare.

In view of the recent publication of a report indicating that of the 111 polio cases in Canada this year, 101 cases occurred in Quebec, does the minister not believe that a special study of this condition should be made and that the types of grants paid to Quebec should be reviewed?

[*Text*]

Mr. Speaker: May I suggest that this question be put on the order paper.

COMBINES

REQUEST FOR SETTING UP OF MARKETING ADVISORY COUNCIL

On the orders of the day:

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, perhaps I might now answer the question put by the hon. member for Ontario yesterday, when he asked whether the government was prepared to accede to the request by the distributive trades advisory council to set up a marketing advisory council and to repeal section 34 of the Combines Investigation Act. The reply is that the matter is still under consideration, and the distributive trades advisory committee has indicated its intention to present a further brief which I have agreed to receive. Until I have those representations I do not think I can give a categorical reply.

NORTHERN AFFAIRS

ALASKA HIGHWAY—NUMBER OF CIVILIANS EMPLOYED IN MAINTENANCE OPERATIONS

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, on December 12 I asked the Minister of Public Works if he could give the house his assurance that there would be no reductions in civilian personnel on the Alaska highway as a result of the take-over of maintenance operations by his department from the Department of National Defence. The minister indicated that he would probably be able to give me an answer within the next few days, and I wonder whether he has that answer now?

Mr. Pickersgill: His estimates are up today.

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, this situation will be carefully examined, but I cannot give any assurance of any kind to the hon. member today.

Inquiries of the Ministry

AGRICULTURE

MEETINGS OF EASTERN FEED GRAINS COMMITTEE

On the orders of the day:

Mr. Clement Vincent (Nicolet-Yamaska): Mr. Speaker, I have a question for the Minister of Trade and Commerce. Can the minister inform the house if the eastern feed grains committee set up in 1962 to work in liaison between the Canadian wheat board and eastern feeders has held a meeting recently?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, my understanding is that this committee held one meeting under the previous administration. Our present policy in this respect, that is liaison between feed dealers, feeders and so on in eastern Canada and the government, is set out in the statement made by my colleague the Minister of Agriculture on December 12, when he said, as found on page 5756 of *Hansard*:

> The government sees merit in having an administrative arm responsible for the feed grain policy and to act in a liaison capacity in feed grain matters, and intends to move in this direction.

TRADE

VANCOUVER—REPORTED DIFFICULTIES IN FLOUR SHIPMENTS TO RUSSIA

On the orders of the day:

Hon. Mitchell Sharp (Minister of Trade and Commerce): Yesterday, Mr. Speaker, the hon. member for Qu'Appelle asked a question about difficulties in the shipping of flour from Vancouver to Russia. At that time I had not heard that report, but I have since inquired and I find that in general the shipments of flour to the U.S.S.R. have been progressing very satisfactorily. Some difficulty occurred in Vancouver last week as a result of condensation damage to approximately 5,000 bags of flour. This flour is being reconditioned. Notwithstanding the delay relating to this particular shipment, I have been assured by the flour milling industry that shipments from both coasts are ahead of the program agreed to in the contracts concluded by the milling industry with the U.S.S.R. trading organization Exportkhleb.

CANADIAN FLAG

COMMITTEE OF LIBERAL MEMBERS TO SUGGEST DESIGN

On the orders of the day:

Mr. S. J. Korchinski (Mackenzie): I have a question for the Prime Minister. Has a group of members been commissioned to design a particular flag for Canada?

[Mr. Deschatelets.]

Right Hon. L. B. Pearson (Prime Minister): If there is such a committee I am not aware of it.

FORESTRY

CONTACT WITH MAINE AND VERMONT ON BORDER OPERATIONS

On the orders of the day:

[*Translation*]

Mr. Pierre-Andre Boutin (Dorchester): Mr. Speaker, may I direct a question to the Minister of Forestry or, since he is not here, to his parliamentary secretary?

Is the parliamentry secretary in a position to inform the house whether the department maintains constant relations with the Maine and Vermont authorities concerning the extensive logging operations now in progress on both sides of the border?

[*Text*]

Hon. J. R. Nicholson (Minister of Forestry): I really think that is a question for the order paper, and I will be glad to answer it if it is put on the order paper.

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

[*Later:*]

[*Translation*]

Mr. Boutin: Mr. Speaker, I would like to direct a question to the Minister of National Revenue. Concerning forestry operations between Canada and the United States, especially with the states of Maine and Vermont, could the minister have an investigation made to find out whether all customs duties are being paid, because again this year, approximately 150 million feet of lumber will be involved in those operations?

[*Text*]

Mr. Speaker: That is a question for the order paper.

NATIONAL DEFENCE

NUCLEAR ARMS—REPORTED CONFLICTING STATEMENTS BY EXTERNAL AFFAIRS MINISTER

On the orders of the day:

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, may I direct a question to the right hon. Prime Minister?

How can the Prime Minister reconcile the statement made by the Secretary of State for External Affairs (Mr. Martin), advocating in Paris measures intended to prevent the spreading of nuclear arms in the world and on the other hand, the storing of nuclear arms on Canadian soil?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, there is no irreconcilability between those two statements.

[*Translation*]

Mr. Caouette: Mr. Speaker, may I ask a supplementary question?

Could the right hon. Prime Minister give us more information about the statement made yesterday by the minister of external affairs to the effect that Canada intends to strengthen the strike force role of its squadrons in Europe?

[*Text*]

Mr. Pearson: Perhaps when the Secretary of State for External Affairs returns, I hope on Thursday, he may be able to deal with the matter.

GENERAL FOULKES—INQUIRY AS TO RE-EMPLOYMENT BY GOVERNMENT

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, on Saturday last I directed a question to the Associate Minister of National Defence. I asked him whether General Foulkes had been re-employed by the government or brought to Ottawa in an advisory capacity. The minister said he did not know but would look into the matter and report to us on Monday. It is now Tuesday.

Hon. Lucien Cardin (Associate Minister of National Defence): Mr. Speaker, I can tell the hon. member that General Foulkes has not been re-employed by the government.

LABOUR CONDITIONS

STATE OF UNEMPLOYMENT INSURANCE FUND—WINTER WORKS PROGRAM

On the orders of the day:

[*Translation*]

Mr. Robert Beaule (Quebec East): Mr. Speaker, may I direct a question to the Minister of Labour?

Since statistics indicate that 218,900 applications for unemployment benefits were made in October, and since this figure is likely to go up, could the minister inform the house about the present condition of the unemployment insurance fund and give us a broad outline of what is being done in order to reduce unemployment?

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): I announced yesterday that as of the end of November there was approximately $56 million in the unemployment insurance fund. It would be impossible on orders of the day, to outline the extent of the winter works programs now in preparation and in progress.

EXTERNAL AFFAIRS

CANADA'S STAND ON WESTERN AID TO RUSSIA AGAINST CHINA

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to ask the Prime Minister the nature of the assistance that might be given to the U.S.S.R. against communist China to help the Soviet union in its power struggle with communist China, as indicated yesterday by Mr. Rusk in a rather unusual statement. I shall read the statement and ask the Prime Minister what is the attitude of the Prime Minister in this regard, and whether the Secretary of State for External Affairs commented on it, in Paris? According to the press Mr. Rusk stated:

> In the quarrel between Chinese militancy and Russia's peaceful coexistence, our interest is to see that Moscow prevails.

What variety of international philosophy is this?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, of course if I started a discussion on orders of the day on the international philosophy involved in this question, certainly we would not adjourn before Christmas. This is important, and is not a question to be answered on orders of the day, but I shall be glad to look into the text of Mr. Rusk's statement in Paris and what the Secretary of State for External Affairs said there at this stage, and if there is anything in this statement that requires comment on orders of the day, I shall be glad to make it.

Mr. Diefenbaker: This is the second time today the Prime Minister has shown petulance and peevishness. I asked a reasonable question on an important matter—

Some hon. Members: Order.

Mr. Diefenbaker: Do you want to continue the session beyond Christmas.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: I asked the Prime Minister whether he would make any observation on this matter, because it is a matter of deep significance and one that deserves attention. I am not saying that the Prime Minister can answer it today, but will he answer it before we conclude this week's session?

Mr. Pearson: Mr. Speaker, I already had promised to do that, but I would call your attention to the advice you gave us, as recorded at page 4206 of *Hansard* for October 31, to the effect that in putting a question

a member must confine himself to the narrowest limits and not raise a matter of policy too large to be dealt with within the limits of an answer to a question.

Mr. Diefenbaker: Sir, I am very happy to see that the Prime Minister has endeavoured to take over your position, but I still recognize you as the Speaker.

APPOINTMENT OF NEW AMBASSADOR TO FRANCE

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. Is it the intention of the government to appoint a Canadian ambassador to France in the near future?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, there is a Canadian ambassador in France at the present time. I believe he left for Paris this morning.

Mr. Georges Valade (St. Mary): Mr. Speaker, my question is directed to the Prime Minister, and it arises from the answer he made to the hon. member for Joliette-L'Assomption-Montcalm, in which he stated that a new ambassador for Canada had gone to France this morning. Some months ago I asked the Prime Minister what was the salary of the commissioner general, Mr. Dupuy, to which the Prime Minister answered that Mr. Dupuy was still employed by the Department of External Affairs as ambassador to France. Since there is a new ambassador, I want to ask what is the salary that is paid to the commissioner general?

Mr. Pearson: Mr. Speaker, I am very sorry if my answer was misunderstood. I did not say a new ambassador had gone. I said the ambassador had gone this morning, Mr. Dupuy, who still is ambassador to France.

[*Later:*]

[*Translation*]

Mr. Pigeon: Mr. Speaker, I have a supplementary question. As his excellency Mr. Dupuy is going to resign soon, and as the Minister of Justice (Mr. Chevrier) missed the mark and has not succeeded in being appointed president of the C.N.R., is it the government's intention to appoint him Canadian ambassador to Paris in the foreseeable future?

[*Text*]

Mr. Diefenbaker: Let us hear the answer to that.

[Mr. Pearson.]

Mr. Chevrier: You thought it was the other way around last week.

Mr. Balcer: The country is waiting for an answer.

ROYAL CANADIAN MOUNTED POLICE

ACTIVITIES IN LABOUR DISPUTE AT GRANDE PRAIRIE, ALTA.

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Minister of Justice and ask whether any representations have been made to him expressing concern at the use of the R.C.M.P. in strikebreaking activities in the labour dispute which is taking place at the North Canadian Forest planing mill in Grande Prairie, Alberta. If so, what action does the minister contemplate taking as a result of these representations?

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, no representations have been made to me in that respect, but I will inquire at once and have a reply before the house rises.

GRAIN

INQUIRY AS TO FINAL PAYMENT ON 1962-63 CROP

On the orders of the day:

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Trade and Commerce. I wonder whether the minister, in his discussions with Mr. McNamara, was able to learn the size of the final wheat payment which might be made to the farmers in March.

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I doubt whether Mr. McNamara himself yet knows the answer to that question. I was talking to him today and he indicated to me that he hoped to close out the accounts about the beginning of January.

PRIVILEGE

MR. COTE, LONGUEUIL—DESIGNATION OF MEMBER FOR LAPOINTE AS LEADER OF QUEBEC MEMBERS

On the orders of the day:

[*Translation*]

Mr. Jean-Pierre Côté (Longueuil): Mr. Speaker, I rise on a question of privilege. While I do not share the opinion expressed by the hon. member for Skeena (Mr. Howard) concerning the statement made by Mayor Charlotte Whitton on bilingualism, I have

no means of preventing the mayor from speaking her mind. My question of privilege is aimed at another part of the hon. member's statement, where he said that Mr. Gilles Gregoire was the leader of Quebec members in this house.

[*Text*]

Some hon. Members: Order.

Mr. Côté (Longueuil): I am on a question of privilege, Mr. Speaker.

[*Translation*]

Mr. Speaker: Order. Does my hon. friend rise on a question of privilege, or is it his intention to put a question on the orders of the day?

Mr. Côté (Longueuil): I rose on a question of privilege.

As a representative from the province of Quebec in this house, I deny the hon. member for Skeena (Mr. Howard) the authority to impose the hon. member for Lapointe (Mr. Gregoire) as my leader. I think I am speaking on behalf of all hon. members on this side of the house. I was referring to a report published in this morning's *Le Devoir*.

[*Text*]

Mr. Frank Howard (Skeena): If I may say a word on the question of privilege, Mr. Speaker, I think the hon. member for Longueuil has read perhaps what has been misinterpreted. Specifically I said I did not think that the blatant and almost base antics of Real Caouette, his chief lieutenant, Gilles Gregoire, and others, was helping to do anything more than keep people away from their initial desire to understand. This construction in the newspaper placed the hon. member for Lapointe as the chief of Quebec, and I certainly would not want to promote him to that position.

Mr. Caouette: Mr. Speaker,—

Mr. Speaker: May I suggest to the hon. member that in the spirit of Christmas we proceed with orders of the day.

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, I rise on a question of privilege.

I wonder whether the two hon. members who just spoke take for granted everything published in the press.

It is a fact that the hon. member for Lapointe (Mr. Gregoire) makes a valuable contribution to parliament and no hon. member has the right to criticize the way the hon. member for Lapointe behaves in the House of Commons.

[*Text*]

PENSIONS

OLD AGE ASSISTANCE, BLIND AND DISABLED PAYMENTS—AGREEMENTS WITH PROVINCES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Minister of National Health and Welfare whether she is now in a position to answer the question I asked yesterday, as to whether any of the provinces have reached agreement with the federal government in respect of increasing the old age and other payments effective from December 1 and, if so, which provinces?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Mr. Speaker, I have checked since yesterday when this question was put to me. We have received a couple of wires and a couple of the provinces have informed us of their intentions, but we have not heard from all the provinces.

It is suggested that it would be perhaps unfair to mention names, since some provinces did go so far as to send me a wire and others may have the same intention but have not notified me. Therefore, since at the moment the information is incomplete, I would ask my hon. friend to wait, and perhaps before the house rises for the Christmas recess I will have the information in full.

BUSINESS OF THE HOUSE

LEGISLATION TO IMPLEMENT RECOMMENDATIONS OF ROYAL COMMISSION ON TRANSPORTATION

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Secretary of State with reference to the business of the house. My question refers to item No. 18 on the order paper, the resolution standing in the name of the Minister of Transport which is a prelude to legislation to implement certain recommendations of the royal commission on transportation. I wonder whether the Secretary of State could arrange with the various parties of the house to advance this resolution one stage so that the legislation would be made available. I think most hon. members know this is a fairly complicated matter, and it would be a great advantage if we had the legislation to study between the closing of this session and the beginning of the next one.

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I will be very glad to give consideration to this matter, although I am sure the hon. gentleman will understand that there are some other matters on the order paper to which I feel obliged to give higher priority.

National Centennial Act

REDISTRIBUTION

PROVISION FOR OFFICE OF REPRESENTATION COMMISSIONER AND READJUSTMENT OF REPRESENTATION

Hon. J. W. Pickersgill (Secretary of State) moved the third reading of Bill No. C-126, respecting the office of representation commissioner and to effect certain consequential amendments to the Canada Elections Act.

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

NATIONAL CENTENNIAL ACT

AMENDMENTS CHANGING NAME, ENLARGING MEMBERSHIP OF ADMINISTRATION, ETC.

Right Hon. L. B. Pearson (Prime Minister) moved the third reading of Bill No. C-107, to amend the National Centennial Act.

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

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I rise on a question of privilege arising out of an interruption made last evening which I did not hear. That interruption came from the President of the Privy Council (Mr. Lamontagne) and, as reported at page 5969 of *Hansard*, he said this:

> I challenge the right hon. gentleman to show me where the word "nation" is in the English version of the present act and also to show me that we are deleting the word "national" from the present act.

I did not hear that question and that challenge last evening. It comes to me as somewhat of a surprise, in view of the fact that when he spoke on November 19, in explaining the reasons for the amendments to this act he said, as reported at page 4911 of *Hansard*:

> Moreover, the word "national" in the English version is confusing in the context in which it is used, and resulted in another historical error in the French version. Thus, the latter constantly refers to the "centenary of the nation" rather than to the "centenary of confederation".
>
> The expressions "Canada centennial", "centenaire du Canada", "national centennial" and "centenaire de la nation" have given rise to perfectly justified objections on the part of the premier of the province of Quebec.
>
> He set down those objections in an exchange of correspondence first with the former prime minister of Canada and then with the present Prime Minister. That correspondence began on October 4, 1961, and has already been tabled in this house by the Minister of Justice, on June 27 of this year to be exact.
>
> That correspondence and the debates which took place last summer in the legislative assembly show quite clearly that the government of Quebec will refuse to participate in the centennial celebrations, unless the changes we are proposing today are accepted by the Canadian parliament.
>
> [Mr. Pickersgill.]

Now, sir, this challenge comes to me as rather a surprise, because I have before me the bill and it is apparent that the minister has not even read his own bill or the explanations therein. The challenge, I again point out, was to show the minister where they were deleting the word "national" from the present act. Therefore I commence by pointing out that clause 1 provides:

> Section 1 of the National Centennial Act is repealed and the following substituted therefor:

In the explanatory notes it says:

> The purpose of this amendment is to change the short title of the National Centennial Act.
>
> Section 1 at present reads as follows: "1. This act may be cited as the National Centennial Act".

Clause 1 says:

> "This act may be cited as the Centennial of Canadian Confederation Act".

So that "national" is removed twice there. Later on, in clause 2 it says:

> Paragraph (a) of section 2 of the said act is repealed and the following substituted therefor:
>
> "(a) "Commission" means the centennial commission referred to in section 3;"

Then in the explanatory notes we find these words appear:

> "Administration" means the national centennial administration referred to in section 3;"

Then it says in clause 3:

> Section 3 of the said act is repealed and the following substituted therefor:

At the moment section 3 reads:

> There shall be a corporation to be called the national centennial administration—

That is now changed in this bill to the following:

> There shall be a corporation to be called the centennial commission—

Then it sets out the members who shall comprise the commission. Finally, under clause 6 it says:

> Subsection (1) of section 10 of the said act is repealed and the following substituted therefor:
>
> "10. (1) There shall be a special account in the consolidated revenue fund, to be known as the centennial of confederation fund, to which shall be credited the amounts appropriated by parliament for the purposes of the fund".

In the explanatory notes we find these words:

> Subsection (1) at present reads as follows: "10. (1) There shall be a special account in the consolidated revenue fund, to be known as the national centennial fund, to which shall be credited the amounts appropriated by parliament for the purposes of the fund".

Therefore, sir, the challenge has been answered by simply indicating that the word "national" is removed in at least four or five cases throughout the act.

Hon. Maurice Lamontagne (President of the Privy Council): Mr. Speaker, could I ask a question of the hon. gentleman?

Mr. Diefenbaker: I have answered the challenge, and I intend to say something further.

Mr. Lamontagne: Could I ask a question of the hon. gentleman?

Mr. Diefenbaker: Yes.

Mr. Lamontagne: Would the right hon. gentleman care to refer to clause 7 of the new bill, dealing with section 17 of the act, which provides:

There shall be a national conference on the centennial of confederation—

Mr. Diefenbaker: Now, Mr. Speaker, the minister is trying to squirm out of the position in which his smart question last evening placed him. In so far as that conference is concerned it says:

There shall be a national conference on the centennial of confederation—

That is a different organization altogether. The hon. gentleman now, having made that loose statement last evening, finds himself in a situation where he tries to get out of the impossibility of the position in which he has placed himself by reason of an aimless interruption. While I am on my feet, Mr. Speaker, I ought to place on the record the letter from the premier of Quebec to the present Prime Minister. It is dated May 2, 1963:

Office of the Premier
Province of Quebec

Hon. Lester B. Pearson,
Prime Minister of Canada,
Parliament Buildings,
Ottawa, Ont.

My dear Prime Minister,

You no doubt know that the government of the province of Quebec has been invited to participate in the celebration of the centennial of confederation. This government has already expressed its intention of taking an appropriate part in that celebration by undertaking to pay its share of the cost of the memorial which is being erected in Charlottetown.

Unfortunately, a serious difficulty has made until now any kind of agreement impossible with the federal government.

As I pointed out in my letter of October 19, 1961 to the then prime minister of Canada—

And I interpolate here, that was ten days or so after the law had been passed by both houses.

—the act passed by the parliament of Canada is properly entitled an "act respecting the observance of the centennial of confederation in Canada", but that title is contradicted by section 3 and 17 which mention respectively the "national centennial" and "Canada's centennial".

Then he goes on to say:

It is obvious that it is not the title of the act that will catch the eye of the people, but the names of the organizations set up to bring it into operation. ...We are therefore confident that you will admit the necessity of amending the act respecting the observance of the centennial of confederation in Canada in such a way as to eliminate the difficulties I have mentioned.

I draw attention to those excerpts from the letter as part of the answer to the challenge made last evening. I reiterate what I said then, that throughout the discussions, when the legislation was before the House of Commons, there was no objection raised by any of the members who sat opposite. Indeed, the present Prime Minister said on September 18, 1961:

The fact that we shall soon be celebrating our hundredth birthday makes us one of the older states in the world.

Then on another occasion, speaking in the house on the same date, he said, the reference being to myself:

As the Prime Minister has pointed out, it would be appropriate to examine the values of our national society.

In later speeches he said the same thing. For instance, speaking to the national federation of Liberal women—I emphasize the description of that organization; they have not had the feeling that "national" is a dangerous word—the right hon. gentleman said on October 29, 1963:

Canadians are going to grow together in national development, national purpose and national pride.

In all these cases "national" is used as it was used in the law passed by this parliament, the law which is now being amended. I simply wanted to clarify this and to point out that the hon. gentleman has not, apparently, read his own bill.

Hon. Gordon Churchill (Winnipeg South Centre): I am astonished beyond measure that the Prime Minister has not participated in this debate. His name appeared before the legislation on second reading. He was not present during that discussion. He is here in the house today, his name standing as the sponsor of third reading, and he has nothing to say.

I was at some pains last night to draw attention to the fact that in my opinion and in the opinion of many people the Prime Minister of this country should speak on this particular matter and clear up the situation which prevails within his own ranks, and clear up something of the difficulty and dissension which has been introduced into this problem by the President of the Privy Council and others.

I do not intend to prolong the discussion this afternoon, but the silence of the Prime Minister is an indication of the very thing that I feared and to which I tried to draw

attention yesterday. I was afraid that the people who were put up as spokesmen for the Liberal party in the debate on the resolution and on second reading were, in effect, speaking on behalf of the Prime Minister and expressing his views. Now that fear is confirmed, because the Prime Minister has not taken the opportunity which was his when this motion was called to deny that these gentlemen were speaking on his behalf and on behalf of the Liberal party.

With all seriousness I drew attention to the speech made by the hon. member for Lotbiniere, and I questioned whether or not that speech represented the views of the Liberal party of Canada. Now, in the absence of any word from the Prime Minister, we are faced with the situation that those obviously are his views and the views of the Liberal party of Canada. Unless the Prime Minister will repudiate that hon. member and that statement he made, what other conclusion can we draw? No self-respecting Canadian is going to sit here in silence in the House of Commons and hear offensive statements such as were made by the hon. member to whom I have referred, without some explanation being given. And only from the Prime Minister of this country can such an explanation come.

I am speaking with the utmost seriousness about this situation. The Liberal party laughs. That is exactly what one would expect from that party. They approve of those statements of the hon. member for Lotbiniere and they laugh when I say this question should be treated with all seriousness. I ask the Prime Minister, does he approve of the statement made by the hon. member when he said the symbol of Canada's supreme authority is a foreign sovereign? Are we to sit here and have statements of that kind made in the House of Commons and recorded in *Hansard*? Are we to hear these reflections on our system of government and on our Queen and be silent about it? This, obviously, is the attitude which represents the policy of the Liberal party of Canada, and I hope all Canadians are now aware of it.

[*Translation*]

Mr. Gerard Girouard (Labelle): Mr. Speaker, may I take a few minutes to try to calm down the few members who have just spoken about the matter under consideration.

At this time, when we in this house are thinking of celebrating confederation and attempts are being made to have us believe that we have succeeded in uniting the two great races into one nation, extremists have to take this occasion to try to push their extreme views one step further.

I think that the hon. member for Lotbiniere (Mr. Choquette) may have gone a little too far when he referred to the Queen, but if at this point an attempt is made to push this matter still further, to the extent of having someone state that this was right or that was wrong; if the word "national" is to become controversial with regard to confederation or centennial celebrations, then I wonder whether it would even be worth while to celebrate the centennial of confederation after all.

I admit that on some occasions, Quebec members have perhaps gone a little too far on the nationalist issue. This I recognize. But I would also ask the previous speakers to realize that on some occasions, other members have also carried their own brand of nationalism quite far.

I should also like to refer to the famous statement made by the previous speaker. Mr. Speaker, on a matter of such vital importance to the entire country, I wonder once again why petty politics has to be brought into this debate.

We earnestly wish to commemorate the centennial of confederation. We are anxious to show the world what a success this country has been. We want to show that it is possible for French speaking and English speaking Canadians to establish a true confederation. In that respect, I accept in good faith the explanation given by the President of the Privy Council (Mr. Lamontagne) to the effect that Canada constitutes a political nation.

From the political point of view, we form a state, a country and a nation. I also agree with the minister when he states that from a cultural viewpoint, things are rather different, there being a French Canadian nation and an English Canadian nation.

Once again, I would ask hon. members of the opposition who spoke before me not to block this project which concerns all true Canadians who wish to celebrate a true confederation which has made it possible for two great races, two great nations, to establish so great and so fine a country as Canada.

Mr. Real Caouette (Villeneuve): Mr. Speaker, during the last few days, we have heard statements concerning the celebration of the centenary of confederation which were irresponsible in many respects.

Some members object and are deeply concerned because we are to celebrate the centenary of confederation instead of the centenary of the nation. As in the past, they have been trying to create a truly and fundamentally anti-Canadian climate.

On the other hand, others have said that there are two groups of extremists, one of

which is French Canadian, the other English Canadian, and both working against national unity in Canada.

I do not think that in this house there has been on our part, or on the part of French Canadian members, any hindrance or obstacle to understanding in this country. If there ever has been a conciliating nation or race these last 97 years, it should be recognized that it has been the population of the province of Quebec and French Canadian members.

Personally I do not agree with the opinion expressed the other day by the hon. member for Lotbiniere (Mr. Choquette) to the effect that Canada recognizes the Queen of a foreign country. When we speak of Her Majesty the Queen, I see her as the Queen of Canada and not at all as the Queen of England. I think that Queen of Canada is her title as far as we are concerned.

We have to recognize more and more on the part of this sovereign, who is perfectly bilingual, that deep desire for unity, conciliation and understanding. Such an example might perhaps have been followed by the hon. member for Winnipeg South Centre (Mr. Churchill), who seems to have encountered many more difficulties than Her Majesty in the learning of French.

On the other hand, there are still people who talk about the adoption of a distinctive Canadian flag and of a national anthem.

More and more, throughout the country, people have come to recognize the importance and urgency of adopting those measures or that measure that will provide Canada with a national distinctive flag and not a flag relating to a foreign emblem.

In this connection, I shall give as an example the small countries that have just recovered or obtained their freedom and independence. The first thing they did at this solemn moment in their history, was to adopt a distinctive national flag. Such was the case with Jamaica and African countries where, only a few days ago, that first step was taken once again.

When it has gained or is about to gain its sovereignty, the first action a country should take is to give itself a distinctive national flag and a national anthem.

For my part, in 1967, whether other people like it or not, if a flag bearing the union jack is presented as an English flag, I shall be the first to salute it to show my respect for the English, but should this flag be offered as the Canadian flag, well, there is a limit, and if it should come to that, I will not salute it, no matter what flag it is, unless it is Canada's own distinctive national flag.

This does not apply exclusively to the union jack. I would salute as well, with joy and veneration, the American flag which is the symbol of a friendly nation; but nobody could get me to believe that the American flag is our own national flag.

We are not faced with a problem of dissent, but with a problem of decision. If we recognize self-government and liberty for the smaller countries of the world, let us try at least to set an example, after several decades of existence as a dominion. I am sure that there is not a single representative, be he English or French speaking, who will object to the adoption of a national flag and a national anthem, which would be distinctly Canadian.

Now, Mr. Speaker, the hon. member for Lapointe (Mr. Gregoire) stated yesterday afternoon that Canadians are showing their attachment to the idea of national unity in Canada. Let us remember, however, that national unity is not a one-way street. There cannot be exclusively rights for some and nothing but duties for others. We have on both sides, some rights and corresponding duties. Our main duty is precisely to try and understand each other the best we can.

I have said it, and I shall repeat it once more: I do not believe that an Englishman can be turned into a Frenchman, nor that a Frenchman can become an Englishman. However, I believe that it is possible to have two good Canadians, practising bonne entente and mutual understanding. In order to reach that goal, if it becomes necessary to water our wine, let us not hesitate. We have done just that and we ask our partners to do the same, so that we can sit at the same table, the table of confederation, of bonne entente, of understanding and co-operation. That is what we are asking for.

Yesterday, I was listening to the whining by the hon. member for Winnipeg South Centre (Mr. Churchill) concerning the use of the phrase "centennial of the nation" instead of "centennial of confederation" and he criticized the hon. member for Lotbiniere (Mr. Choquette) and asked the Prime Minister to give his opinion. If the right hon. gentleman keeps silent, it may be that he understands that it is up to parliament to decide. The Prime Minister alone does not decide. He introduces his legislation, but does not take the decision.

We should have liked to have his views. If he does not put them forward, at least some official representatives of the government have spoken. The Prime Minister and the Secretary of State made some statements yesterday. There were also statements made by the Conservatives. Only, as far as confederation is concerned, the Conservatives could have acted two or three years ago when they were sitting on your right, Mr. Speaker.

Now, if the government introduces such legislation, why lay the blame on the Prime Minister and ask him what he intends to do when the problem is settled. It does not belong to the Prime Minister to decide, but to parliament as a whole.

Mr. Speaker, I have nothing more to say for the time being, but I sincerely believe confederation, the centennial of confederation can be celebrated with enthusiasm in 1967, provided we are Canadians and not foreigners, provided we are bound to our Canadian country, and not to another country outside our frontiers, provided we play our part as Canadians and take our responsibilities in that respect, in order to reach the goal we are seeking, that is understanding, mutual co-operation and making Canada a greater country, where life is worth living.

[*Text*]

The Acting Speaker (Mr. Batten): Is it the pleasure of the house to adopt the motion?

Mr. Churchill: On division.

Some hon. Members: Agreed.

Mr. Lamontagne: I assume, Mr. Speaker, that its support is unanimous?

Mr. Churchill: On division.

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

CANADIAN NATIONAL RAILWAYS

PROVISION FOR CAPITAL EXPENDITURES, ISSUE OF SECURITIES, ETC.

Hon. J. W. Pickersgill (for the Minister of Finance) moved the second reading of Bill No. C-127, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system for the period from the 1st day of January, 1962 to the 30th day of June, 1964, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company.

Mr. E. J. Benson (Parliamentary Secretary to Minister of Finance): Mr. Speaker, this bill is basically the same as in previous years being in accordance with the practice followed since 1952 and only differs in form in that it covers two calendar years instead of the usual one. As hon. members know, ordinarily there is a financing and guarantee bill presented to the house each year, but inasmuch as the 1962 legislation was not dealt with last year and the fiscal year 1963 is nearing completion it was deemed expedient to combine both years' authorizations and to present the bill at this time.

The 1962 capital budgets and 1961 annual reports of C.N.R. and T.C.A. were considered in November, 1962, by the sessional committee on railways, air lines and shipping, owned and controlled by the government. During the current session the 1963 capital budgets and 1962 annual reports of these crown corporations have been under consideration by a similar committee. The bill is intended to accomplish eight main purposes, each of which is similar in form to those of the 1961 act and preceding annual acts. These purposes are:

1. To authorize capital expenditures by the Canadian National Railways not exceeding $156,500,000 during the 1962 calendar year as well as capital expenditures not exceeding $157 million during the 1963 calendar year.

2. To authorize the company to make, prior to July 1, 1964, such capital expenditures as may be necessary to discharge obligations incurred under the 1962-63 act, but which become due for payment after January 1, 1964, as long as these expenditures do not exceed $56 million.

3. To authorize the railway company to enter into contracts prior to July 1, 1964 for new equipment and for general additions and conversions, where payment will come due after the calendar year 1963, provided that such amounts do not exceed $31,200,000.

4. To provide for the continued purchase by the Minister of Finance of Canadian National Railways 4 per cent preferred stock through to the end of the calendar year 1964. The 1961 financing and guarantee act extended to December 31, 1962, the expiry date of the authority granted by the Canadian National Railways Capital Revision Act, 1952, for the purchase of such stock up to the limit of 3 per cent of the company's gross revenue. In future years this provision might be among those affected if the government implemented the recommendations of the MacPherson commission and the proposals on the recapitalization of the C.N.R. While government decisions on these urgent and fundamental problems are pending, it is recommended that the bill extend the expiry date of this provision until the end of 1964.

5. For the same reasons the bill also will extend until the end of 1964 the moratorium on interest on the government loan of $100 million to the railway company authorized by the capital revision act, 1952.

6. The bill will contain a new section to increase to $480 million the limitation in the Canadian National Railways Refunding Act, 1955, placed on the authority to refund maturing or matured securities of the railway company. The limit is at present $230 million and it is necessary to increase this limit to allow the railway company to repay to the

government a loan of $250 million which the government advanced to the railway company for the purpose of refunding a bond issue in the same amount which matured on the 1st of February, 1963. The only foreseeable way that the C.N.R. could repay this government loan of $250 million would be to sell a bond issue of like amount to the public. There are no plans for such an issue. However, it is considered desirable to provide in this bill for such a possibility, should debt management considerations ever point in that direction.

7. The bill will provide for the financing, either by means of the issue of new securities by the government of Canada or by way of direct loan, of an amount not to exceed $31,800,000. This amount represents the financial requirements of Trans-Canada Air Lines of $9,800,000 in the calendar year 1962, of $16 million in 1963 and $6 million during the first six months of 1964.

8. Finally, as in previous years, the bill provides authority to make temporary loans to the Canadian National Railways and Trans-Canada Air Lines to meet deficiencies in operating revenues up to June 30, 1964. As hon. members are aware, these loans to the two companies on income deficit account are of a temporary nature to meet deficiencies in revenue which regularly occur in the early part of each calendar year, and are repaid later either from annual revenues or, if these are insufficient, are written off by parliamentary appropriation.

[*Translation*]

Hon. Leon Balcer (Three Rivers): Mr. Speaker, I do not intend to prolong this debate since I know that, as is the case usually, this legislation concerns particularly financial matters. However, as former minister of transport, I simply wish to take this opportunity to ask the government to study as soon as possible the advisability of allowing refinancing of the operations of the Canadian National Railways.

I believe it is already too long since we had a thorough study of the possibility of allowing the board of directors of the Canadian National Railways to adopt a new financing policy, in order that the company may not have to show each year an illogical deficit, which undermines the morale not only of the directors but also of all the employees of the Canadian National Railways.

That is why I have no objection whatsoever to the bill as it stands at the present time. I do not think it includes anything really new. However, when he appeared before the sessional committee, the president of the Canadian National Railways repeated his arguments, which in fact are perfectly logical, in favour of a new capitalization policy for the Canadian National Railways.

[*Text*]

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, we will support this bill, but in doing so we would also raise the matter referred to by the hon. member for Three Rivers (Mr. Balcer), the long delay that seems to have been necessary, not just on the part of this government but the previous government, in making up their minds about the recapitalization program of Canadian National Railways. On the two most recent occasions the president of the railway has been before a house committee saying that the presentation has been made. On the third most recent occasion he was before us he gave us a long pep talk on all the advantages of recapitalization and what it would do for the railway. But despite all this long preparation we still have not had any action.

The Minister of Transport (Mr. McIlraith) suggests that it is up to the Department of Finance. I do not know what the Department of Finance thinks about it, but it might be as well if we had some explanation at this time. Since the bill really has an almost retroactive effect I would hope that the debate on it would not be long.

One weakness of the capital expenditures set-up of Canadian National Railways from our point of view has been that, with the argument for recapitalization, it is very difficult to know just how well the capital expenditures program for the last decade has worked. This is particularly true since Donald Gordon took over the management, and it is difficult to know how well this capital expenditure program has worked in putting the railway into what he now claims would be an efficient position, as a matter of fact a position without deficit in 1963, if the MacPherson recommendations on recapitalization had been carried out. This claim of Mr. Gordon's is one that is difficult to understand or appreciate. It is easier to see when you look at the long term debt of Canadian National Railways and the fantastic interest payments which have to be made.

I suppose our Social Credit friends would have a solution for the most disturbing point, one which would be more apparent and easier than any that I could offer. However, I tend to go along with their line of reasoning on this. Over the last six or seven years Canadian National Railways have had too many debenture or bond issues floated at rates of interest of 5 per cent or more. This may have been necessary in order to meet the market of the time, but one wonders, when

the government of Canada has such borrowing powers, whether this tremendous increase in the percentage of interest on the C.N.R. debt for these more recent capital expenditures is not too high. I would hate to think that in another ten years, if recapitalization does go through, another president of Canadian National Railways will be coming along to have the debt shifted again on to the back of the government of Canada, because of the high interest rates that were charged on Canadian National borrowings during the fifties and sixties. It is for this reason I think we would appreciate a statement from the Department of Finance as to its attitude towards recapitalization of the whole Canadian National debt structure.

In the meantime, this is a routine measure and only touches that other matter by implication. We have, therefore, nothing further to say.

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, I am taking the floor simply to say that we do not refuse in the least to support this bill since it is only legalizing expenditures incurred last year and this year. I think we would be playing a dirty trick on the C.N.R. and all other agencies related to it if we refused to support this bill.

However, it enables us to notice the financial situation in which the C.N.R. finds itself and to show to everyone—even to those who refuse to believe in the Social Credit theories —that those debts that keep piling up are incurred just to reimburse loans made previously.

If the people are happy with this system, they can keep it; but if they are not satisfied with it, nor with Social Credit, they should by all means find quickly a system that will rid us of those chronic debts which only increase year after year.

I would also like to say a word on the management of Canadian National Railways which, judging by what we hear, is most adequate. We are ready to recognize this, inasmuch as the directors will prove it to us but, as a matter of fact, this bill involves, besides Canadian National Railways, Trans-Canada Air Lines and it is difficult to examine its budgets and balance sheets, since they are included with those of Canadian National Railways, whose directors are unwilling to reveal the amounts involved, claiming that this is an altogether different company.

I think the government should hereafter consider separating these two crown corporations. Because these are public companies; hon. members, who are the representatives of the people, must be made aware, on behalf of the people, of all expenditures and; they must know what constitutes the income and what the resulting balance is.

I admit, as the hon. member for Three Rivers (Mr. Balcer) said a while ago, that we now have a sham deficit, if we consider the operations for this year. Nevertheless, we are in a situation of chronic indebtedness which will prevent the C.N.R. and T.C.A. from making profits, because our economic system is no more adequate this year than last.

To conclude, I should like to make a short comment on the hotels operated by the C.N.R. Because the Social Credit party claims to be the party of free or private enterprise, its opponents tell us that private companies make exorbitant profits and are hurtful to some other concerns.

I have seen the operation reports of the C.N.R. hotels and I understand that only the Queen Elizabeth hotel, which is run by a private company, made profits, but so much so that it succeeded in erasing the deficits of all other C.N.R. hotels.

Mr. Speaker, it seems to me that this is food for thought. This is not a matter of demagogy, but only of recording facts and figures. If other hon. members can offer better solutions, they should better do it fast, since we are sinking into conditions which worsen year after year, and even if we still exist in 1967 to celebrate the centennial of confederation, we will find ourselves in a financial situation which will prevent us from doing so.

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I take this opportunity we have of studying Bill No. C-127 to speak on a subject which made the headlines in papers all over the country, namely the decision of the president of T.C.A. in favour of the American DC-9.

I will try to be brief. I was reading in the Saturday, November 5, 1963 issue of *Le Devoir* a statement of principle, a testimony of faith by the Liberal members from the province of Quebec. The newspaper report is as follows:

> The Liberal members from Quebec will recommend to the federal government the purchase of the Caravelle jetliners.
>
> Ottawa—It is the intention of the Liberal members from the province of Quebec to recommend to the federal government the purchase of the French jet Caravelle instead of the American DC-9 in order to alleviate the tragic situation which prevails at the Canadair plant of Ville Saint Laurent, near Montreal.
>
> Under the chairmanship of Mr. Guy Rouleau, M.P. for Dollard, the Quebec Liberals have decided to form a study and working committee which will make recommendations to the government in that respect.
>
> According to them, there is serious unemployment at present in northern Montreal and especially

in Ville Saint Laurent, because Canadair has no contracts. The company has kept only 3,187 of its 6,500 regular employees.

Liberal members from Quebec see only one solution to the problem, that is the purchase by T.C.A. of the Caravelle jetliner which would be built by Canadair.

Therefore, it will be the committee's mission to convince the federal government and especially the Department of Transport to choose the Caravelle instead of the American DC-9 which would be partly built in the Toronto area but which would be assembled in the United States.

The French company, Sud-Aviation, promised to conclude an agreement with Canadair for the construction of the Caravelle, if Trans-Canada Air Lines decided to buy a sufficient number of those jets.

The government of Quebec, the city of Montreal and Ville Saint Laurent have already submitted representations in that respect.

Local 712 of the international association of machinists has also submitted urgent recommendations to the hon. member for Dollard.

The committee is made up of Mr. Rouleau, the chairman, and of Messrs. Raymond Rock (Jacques Cartier-Lasalle), Pit Lessard (St. Henry), Gerard Loiselle (St. Ann), Prosper Boulanger (Mercier), Vincent Drouin (Argenteuil-Deux-Montagnes) and Jean Rochon (Laval).

Mr. Speaker, I was anxious to read to the house this press report published in nearly all our Canadian newspapers, because it is an ultimatum by the federal representatives from Quebec, to force the government to choose the Caravelle, so as to cope with the unemployment which besets Quebec, and more particularly the island of Montreal, which includes the town of Saint Laurent.

I was astonished to see that the pressures exercised by the representatives have come to nothing, and that when the Prime Minister told the house about the choice of the DC-9, the same members on the treasury benches, (all of them from Quebec), thunderously applauded.

Mr. Speaker, after that statement which, as I said, is really an ultimatum, I am amazed by the actions of the representatives who sit on the treasury benches and who signed the petition.

Mr. Speaker, pressures, supported by countless documents, had also been exerted by the authorities of the province of Quebec, by Mr. Lapalme and by Mr. Rene Levesque. The following account was given as to it:

Let us remember that Mr. Rene Levesque, who is the minister of natural resources in the Lesage cabinet, stated as early as October last: "The Quebec government will have recourse to all firm and friendly means of exerting pressure to endeavour to persuade federal authorities of the necessity to pick out the Sud-Aviation Caravelle aircraft, to modernize Trans-Canada's air fleet—

And Mr. Rene Levesque had this to add:

—that he had attracted criticisms from Ottawa for having stated that the Quebec government was exerting "polite but persistent" pressures so as to guide the company's choice, has disclosed yesterday that the cabinet possesses "well supported" files regarding the respective worthiness of the aircraft among which Trans-Canada Air Lines must make their choice and that the superiority of the Caravelle aircraft is undoubtedly unquestionable,

As I have said, Mr. Lapalme made those statements, supported by labour representatives in Canada and, especially in the province of Quebec.

However, Mr. Speaker, we were surprised by T.C.A.'s decision, concerning the choice of the DC-9 aircraft, which was approved afterwards by the government, and we were particularly surprised by the statement made by Mr. McGregor, president of this crown corporation whose salary is paid by the Canadian taxpayers. In my opinion, he should have been more careful in his statements and he should not have tried to foster trouble and stir up strife. The president of T.C.A. made unfortunate statements. I would refer to what Mr. Therrien, a member of the Glassco commission, said again recently:

It is not the ill-timed statements of a man like Mr. McGregor, president of T.C.A., who, more than anybody else, should refrain from evaluating the qualifications of the French Canadians in administration. No such statements can help settle the problem to the satisfaction of the French-Canadian nation.

Mr. McGregor even stated that it was quite possible that T.C.A. would remain unilingual, as it would be too expensive, and thousands of dollars would have to be spent to have the words "Air Canada" inscribed on the corporation's aircraft. I wonder, Mr. Speaker, whether intensification of bilingualism in this country should be measured by the amount of dollars likely to be involved.

However, Mr. Speaker, as I have said, it would have been so important to award T.C.A. that contract, to Canadair providing work for thousands of Canadian workers and their families for five years.

It should not be forgotten that Sud-Aviation would have built all the Caravelle aircraft here, whereas only certain parts of the DC-9 will be built here, while other parts will be built in the United States. The bulk of the work will be done in the United States. That was the opinion of a Montreal newspaper quoted earlier; and this statement was signed by many members from Quebec.

There is also something else, Mr. Speaker. The DC-9 still has to be tested. Moreover, American firms are being encouraged to build these aircraft themselves and in fact, most parts will be built in the United States, and this at a moment when we have a deficit with that country.

Mr. McGregor even questioned the efficiency of the Caravelle. In my opinion, he showed a lack of judgment and contributed to intensify the tension between France and Canada, at a time when our Prime Minister

is going to visit France in a few weeks. I think that was a poor thing to say when one considers that the Caravelle has carried 7 million passengers over 60 million miles, which is equal to 2,500 times around the earth and 130 times the distance to the moon. Moreover, the Caravelle is used not only in France, but by 23 companies throughout the world.

Another statement made before the committee and which surprised me was when Mr. McGregor attempted to question the competence of French speaking Canadians.

I think he should first do like the president of another crown corporation, that is try to find at least one or two French speaking persons to appoint to the board of directors, consisting of nine members.

Furthermore, McGregor added that the Caravelle was an excellent aircraft eight years ago but that it is outdated today. I am quite surprised that the president of this crown corporation does not know that the Caravelle Super B which will be in operation in 1964, is a much better aircraft than the Caravelle now in use.

Mr. Speaker, may I be permitted in closing to give to the house statistics taken from the British magazine *Flight International.*

The following figures represent the activities of the different models of aircraft in the world and the number of accidents they have had. These figures are applicable up to the month of May 1963. They indicate, for instance, that the Boeing 707 with 210 aircraft in service, has had 32 accidents, 9 being fatal, since it has been put into operation. With 60 aircraft in operation, the Comet has had 16 accidents, 5 being fatal; the DC-8, 185 in operation, 15 accidents, 7 being fatal; the Boeing 720, 129 in operation, 11 accidents, 2 being fatal; the Caravelle, 151 in operation, 7 accidents, 4 being fatal; the Convair 800, no figures as to number in operation or number of accidents, but this aircraft has had one fatal accident.

And to complete this list, since May 30, 1963, the Caravelle has had one fatal accident. The BAC-111 has had one fatal accident and the DC-8 has had two accidents, one of them fatal, that is the recent accident at Ste. Therese de Blainville.

In the light of the statements made by the president of T.C.A. which have gone a long way to damage our national unity as well as the relations between France and Canada, I wonder whether the government could not compel this crown corporation to publish the report of its experts on the choice of the DC-9, in order to shed some light on the matter for the benefit of the public?

Besides, part of that report relating to the maintenance and repair base in Winnipeg was made known to the government of Manitoba.

I also wonder whether the Minister of Transport (Mr. McIlraith) or the government should not oblige Mr. McGregor to mend his ways, so as to put right not only the damage he brought to our national unity, but also the deterioration of our relations with a friendly country like France.

Mr. Speaker, those are the few remarks I wished to make.

[*Text*]

Mr. Loiselle: On a question of order, Mr. Speaker.

The Acting Speaker (Mr. Batten): Order. Is the hon. gentleman rising on a question of privilege?

Mr. Loiselle: On a question of order, Mr. Speaker.

[*Translation*]

Mr. Speaker, on a point of order. The hon. member who just sat down read an article from *Le Devoir* and mentioned that the committee he was speaking about had been set up in order to bring the government to choose the Caravelle.

I want to tell this house that, though the newspaper published such a report, that statement is untrue. The committee was set up to study the problem in a general way, and established what aircraft would be best for Trans-Canada Air Lines, but certainly not to compel the government to accept the Caravelle.

I would not want the Canadian people to take that statement for granted.

Mr. Pigeon: Mr. Speaker, on the same point of order. I would gladly accept the statement of my hon. friend, if he were to table the recent article published by the newspapers; that article has appeared in most of our newspapers, and all of them are quite emphatic on that point. I have two or three copies of it in my office.

[*Text*]

Mr. Pickersgill: On the point of order, Mr. Speaker, it is a rule of this house, which an experienced member such as the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) knows, that we are gentlemen in this house and when an hon. member, on his responsibility, states that something about himself is a fact, we accept it as a fact.

Some hon. Members: Hear, hear.

[*Translation*]

Mr. Gerard Perron (Beauce): Mr. Speaker, my remarks shall be brief. We are presented

with a bill for the year 1962-63 and also for new investments covering a period ending in July 1964.

I think it is important to mention here that the C.N.R., a crown corporation, shows a deficit every year, which entails an increase in its debt and new bond issues at quite high rates of interest, especially when you consider that only one or two issues carried interest at the rate of 5 per cent in the last ten years, while all others were over 5½ per cent and even 6 per cent in some cases.

While these deficits accrue from year to year, we are told that a substantial proportion of the new investments will be to help T.C.A. meet its obligations, expand and buy new aircraft, which represents quite a large amount.

But, as was indicated by the hon. member for Quebec-Montmorency (Mr. Marcoux) at a meeting of the railways committee, a balance sheet of T.C.A. is not presented to us under the pretext that it is a completely different corporation from the C.N.R.

I note that the former minister of transport made a very brief statement on this bill, but when you realize that T.C.A. operates a transportation system in some parts of Canada in direct competition with companies which have invested large amounts of money in the last three or five years to improve their service and make it adequate to meet today's needs, you start wondering. And on that score, I could refer to the case of Quebecair which has made very large capital investments in the last three years following the promise that T.C.A. would give up the service between Quebec and Montreal and on the north shore, where service is also provided by Quebecair. Besides, it has been established that T.C.A. operates at a loss between Quebec and the north shore, and Quebecair has to compete now with a crown corporation.

The same thing exists in the trucking field. There were statements made by C.N.R. representatives to the effect that this year again they would continue to compete with private companies already existing through their road transportation system. It is the same thing again with the hotel business where, among others, the Queen Elizabeth hotel, owned by the C.N.R., shows a profit, and it is operated in direct competition with private enterprise. In short, that crown corporation branches out in three important directions, truck transport, air transport and hotel business.

Today, with this bill, we are called upon to vote rather substantial amounts in order to facilitate the refinancing of balance sheets in continuous deficit. Who will pay these amounts? It is always the Canadian taxpayer who pays the cost.

It seems to me, as mentioned by the hon. member for Port Arthur (Mr. Fisher) that some suggestions might be in order; therefore, may I offer you my own suggestion. A complete study of the refinancing of all the assets now administered by the C.N.R. should be undertaken as soon as possible to consider the advisability of financing that crown corporation in new ways less costly and, in the last analysis, cheaper for the Canadian people, so that we may have truly well organized services without having to submit measures that cost a lot of money to the country.

In short, we are seeing competition between crown corporations and private enterprise which has invested huge sums of money. We should give greater protection to private trucking companies, especially from organizations like the C.N.R. which asks us each year for rather large amounts when already adequate services are financed by private enterprise.

In my opinion, we should look for a new method of refinancing in full the C.N.R.

[*Text*]

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, I shall be very brief. I do not think there is much point in repeating in the house the discussion which took place in the sessional committee on railways, air lines and shipping, especially the question raised by the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon); that is, the question of the choice of the DC-9 aircraft over the Caravelle. I am a member of that committee and therefore am aware of the controversy that has been taking place in the country and in the house on the question of Trans-Canada's choice of aircraft. I hold no particular brief for Toronto and de Havilland, or for Montreal and Canadair. I come from a part of the country well removed from the rivalries between the two places for the employment which would ensue from the choice of a particular aircraft.

I wanted to be satisfied, as much as a member of parliament with a lack of technical knowledge could be, through questioning, that Trans-Canada Air Lines had made the correct choice. I was satisfied about this and practically all the members of the committee were so satisfied, including all those of the Conservative party, I believe. It was explained to us by the president of the company that six factors were applied in the choice of an aircraft. I believe five of them were under consideration. The airplanes were rated according to the six factors, and the airplane which had the highest rating—that is, which served T.C.A.'s interests best—was the one they chose.

The hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) says there is no doubt the Caravelle is the best aircraft. I submit there is a great deal of doubt. Mr. McGregor did explain at one time that this might be a perfectly good aircraft for some air lines, having in mind the kind of work they would be required to perform, but that it was not suitable for the work of T.C.A. He told us that after these six factors had been applied, the DC-9 came out in front.

I will agree with the hon. member for Joliette-L'Assomption-Montcalm in one respect; the president of T.C.A. did make some unfortunate remarks about the Caravelle. It would have been far better had he not mentioned that accident record, because he did go on to say, afterwards, that most accidents are caused by human factors, not mechanical failure. But I think on Mr. McGregor's behalf it can be said that he was under considerable pressure from questioning, and perhaps he was goaded into saying more than he should have said on that occasion. But I am satisfied, and I am sure most of the members of the committee are satisfied, that on technical grounds the corporation made a correct decision. It would have made no difference to me had the report been available, because it was a technical report. I am not an aeronautical engineer and it would not have helped me very much if we had received a copy.

I believe the hon. member for Beauce (Mr. Perron) complained about the lack of financial details in the C.N.R. and T.C.A. reports. I suggest that until the house committee is able to examine in more detail the reports of competing firms, such as Canadian Pacific Airlines and other operators, we should not press these publicly operated companies to go into more detail with regard to the financial side of their operations than is the practice at the present time.

There is a great deal of complaint about the competition which the public corporations are giving to certain private companies in transportation and other fields. Hon. members complain about deficits incurred by these public corporations, but they resent any attempt to decrease the deficits by moving into certain other fields of business, even though the public corporations have been interested in these other fields of endeavour for a considerable time.

I should like to correct one point made by the hon. member for Beauce. The Queen Elizabeth hotel is not the only hotel in the C.N.R. system which has made money. Half of them made money, although the profits were not very great.

I hope the government will proceed in the next session with the measures necessary for the refinancing of the C.N.R. When that takes place I think the operational statements year by year will be perfectly satisfactory.

[*Translation*]

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, I was quite pleased a moment ago to hear the hon. member for Three Rivers (Mr. Balcer) who is perfectly familiar with the situation of Canadian National Railways and Trans-Canada Air Lines recommend a refinancing of the debt with a view to reducing the interest on it.

Well, we notice that the ideas advocated by our group in this house are beginning to find their way into the minds and this is a good thing. I know some of our good Liberal friends would be quite pleased to have certain monetary reforms carried out, when they find it impossible to administer the country according to their wishes and views.

Our ideas about the monetary reform are becoming increasingly essential to the administration of this country. Every day we find new evidence of this, especially with the study of the bill now before us, which reveals this enormous debt, impossible to pay, but that will have to be cleared some day, because we cannot continue, under such a system, to maintain so considerable a debt.

A while ago I heard the hon. member for Port Arthur (Mr. Fisher) say: Of course I do not advocate the easy solutions of the Social Credit, but I favour a decrease and a refinancing of the debt of C.N.R.

So let me ask this question: Is it more difficult to create credit as a debt than to create credit without debts? Is the operation not exactly the same?

Now, I say that to write down figures in a book indicating an issue of credit at a 6 per cent rate of interest or an issue of credit at 1 per cent is the same kind of operation. In fact, what difference is there really in the writing down of figures and what technical problems can there be?

It seems to me that one does not have to be extremely bright to understand that.

In concluding, Mr. Speaker, I will say this: The Canadian National Railways will never be able to make any profits so long as they face a debt of that kind. This is one of the most important questions the government should examine in order to solve this extremely serious problem which, in my opinion, cripples much of Canada's economy.

Mr. Gerard Girouard (Labelle): Mr. Speaker, a few minutes ago I was blaming the Leader of the Opposition and the hon. member for Winnipeg South Centre for trying to increase the differences between our two great races. And now we are discussing the financing of the C.N.R., and this gives us

an opportunity to congratulate the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) who, after the hon. member for Three Rivers (Mr. Balcer), has once again raised a problem which is very close to our hearts, in the province of Quebec, and that to such an extent—I say so in all honesty—that it would be a service to render the house and the Conservative party if the hon. member for Three Rivers would take the seat to his left and the hon. member for Joliette-L'Assomption-Montcalm would move up to a front bench.

This decision has been highly talked about in Quebec and people in that province are disappointed. At that time, the government replied that it had chosen the DC-9 on the advice of experts.

To a certain extent, the answer was satisfactory but, later on, the province of Quebec asked the government why it had followed the advice of experts concerning the DC-9 but not in the case of the T.C.A. base at Winnipeg. Here again, we were told that the report was confidential and that it would be difficult to get further information.

That would have satisfied the province of Quebec but now, Mr. McGregor states that the report is confidential and cannot be made public. The fantastic thing is that he gave Montreal students explanations concerning the report which was too confidential to be communicated to members of the house.

The matter is being raised again and complaints are being voiced by the eternal martyrs of the province of Quebec who have been ill-treated once more.

I say the government has made a mistake. French Canadian members are complaining. I should like to tell other members who wonder why they complain that if the province of Quebec had obtained what so many of its members had been asking, that is the choice of the Caravelle and the transfer of the maintenance base to the Canadair plant, it would not have complained.

If we so often see Quebec members rising in the house to assert in very strong terms what they believe to be their rights, I say to the other members that if we have to do so, it is because the province of Quebec is aware that it has not always obtained its share. I am not suggesting that we are always right and that the other provinces are always wrong. But I say that the government, as matters stood, should have accepted the motion for the tabling of the engineers' report on the matter.

These were the comments I wished to make, and I feel that as long as one ethnic group will try to drive the other one to the wall, there will be ground for fearing that the Canadian confederation will not be properly commemorated.

Mr. Real Caouette (Villeneuve): Just one word, Mr. Speaker, concerning paragraph 2 of clause 3 of the measure now before us; it says this:

> (2) The national company, with the approval of the governor in council, is authorized
>
> (a) at any time prior to the 1st day of July, 1964, to borrow money by the issue and sale of securities or by way of loan from the Minister of Finance to provide the amounts required by Trans-Canada Air Lines for the purposes mentioned in paragraphs (a) and (b) of subsection (1); and
>
> (b) by the issue and sale of securities, to borrow money to repay loans made under section 6.

Mr. Speaker, under clause 3, the Canadian National Railways is authorized to make capital expenditures amounting to $157 million and those expenditures are distributed as follows:

Road property	$114,134,000
Branch line construction	4,166,000
Hotels	3,797,000
Equipment	18,410,000

Mr. Speaker, I shoud like to point out that, this year, $3,797,000 are allocated to hotels compared to $1,480,000 last year.

Mr. Speaker, under paragraph (2) of clause 3, the Canadian National Railways is authorized to borrow money by the issue and sale of securities. But if a crown corporation has had deficits for many years, where will it take those securities to be issued? Where will it go and from whom will it borrow those amounts? In short, to whom will it sell those securities it will decide to market?

Mr. Speaker, the same paragraph stipulates also:

> —by the issue and sale of securities or by way of loan from the Minister of Finance—

Now, how will the Minister of Finance be able to finance the sum of $157 million required by the Canadian National Railways?

And at this point let me say incidentally that Trans-Canada Air Lines also shows a deficit each year.

Where will the Minister of Finance get the money to make a loan to the C.N.R.?

Mr. Speaker, reference was made a while ago to the fact that T.C.A. and the C.N.R., and especially the latter, often used those amounts to compete unfairly with private enterprise.

An hon. member mentioned earlier that in the hotel trade, only the hotels run by private enterprise were making profits. And yet, the government presists in competing with private enterprise in other fields.

The hon. member for Beauce (Mr. Perron) pointed out to the house that the trucking industry was subject to fierce competition from the C.N.R. I do not think it is in the

best interests of Canada that crown corporations, including the C.N.R., should thus compete with private enterprise.

On the one hand, private enterprise is being taxed in order to finance the deficits of crown corporations, indirect taxes are levied, etc. In the provincial field, the trucking business must pay very high charges for truck licence plates, etc. And, with all those expenditures, it is almost a miracle that the trucking business can remain in operation throughout Canada and in every province.

Now, as the hon. member for Chicoutimi (Mr. Cote) rightly pointed out just now, if the Minister of Finance (Mr. Gordon), in order to finance the operations of crown corporations, were to borrow from the Bank of Canada at a nominal interest rate not exceeding administrative costs, he would not have to pay the same deficit two or three times, or two or three times the cost of building a railway line, and even twice the amount for repairs, because capital bears interest, that is, the interest reaches the same amount as the capital created at the beginning.

From a mathematical point of view, it is impossible to repay twice the amount of the loan.

Mr. Speaker, we suggest that the govenment should use the Bank of Canada, and not only to finance the C.N.R., but in all fields.

Mr. Speaker, we have said many times, and rightly so, that it would be cheaper to resort to debt-free money than to debt-tied money which requires that such amount be greater in the end than when it was first created.

Mr. Speaker, I believe that even if the hon. member for Port Arthur (Mr. Fisher) does not understand all the principles or theories of the Social Credit, it is obvious that the Minister of Finance could at least try the experiment once, to realize to what extent it could help the Canadian people as a whole. Instead of levying taxes that grow higher each year, we could consider a possible reduction of taxes, precisely because we would create the equivalent for crown corporations or the administration of public affairs in all fields, educational, municipal, provincial and federal.

Mr. Speaker, it seems to me that in a few years from now the government would be happy to be able to lighten the tax burden which now weighs heavily on the shoulders of the Canadian taxpayer.

Before resuming my seat, I would not forgive myself if I did not point out how important it is, for the parliament of Canada, to help private enterprise, as much as possible, because it has not failed in Canada. In fact, the trucking industry, as well as other private industries, has not failed in Canada. What has failed is the financial system, and the members of the cabinet, including the Postmaster General (Mr. Denis), should go to the Bank of Canada to finance the development which is needed from an economic and social standpoint as well as from a simple Canadian standpoint.

[Mr. Caouette.]

[*Text*]

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

Clauses 1 to 14 inclusive agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the said bill he read the third time? Now?

Mr. Knowles: By leave.

Mr. Deputy Speaker: By leave, now.

Hon. J. W. Pickersgill (for the Minister of Finance) moved the third reading of Bill No. C-127, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system for the period from the 1st day of January, 1962, to the 30th day of June, 1964, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company.

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

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

Mr. Deputy Speaker: As there are a number of private bills standing for consideration in committee of the whole, is it agreed that in accordance with section 1 of standing order 54 they be referred to the committee of the whole in one motion?

Mr. Howard: Mr. Speaker, that would refer to items Nos. 1 to 5, I assume?

Mr. Deputy Speaker: Yes, items Nos. 1 to 5 plus Bill No. S-47 and Bill No. S-45, which were reported today. Is that agreed?

Some hon. Members: Agreed.

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. S-41, to authorize the construction of a bridge and a causeway over the St. Lawrence river near the city of Pointe-aux-Trembles.—Mr. Rouleau.

Bill No. S-48, respecting the Northern Life Assurance Company of Canada.—Mr. Morison.

Bill No. S-49, respecting the Canada North-west Land Company (Limited).—Mr. Wahn.

Bill No. S-51, to incorporate Family Life Assurance Company.—Mr. Asselin (Notre Dame de Grace).

Bill No. S-45, respecting the executive board of the Canada conference of the Evangelical Lutheran Augustana Synod of North America.

Bill No. S-47, to incorporate Royal General Insurance Company of Canada.

MORTGAGE INSURANCE COMPANY OF CANADA

The house in committee of the whole on Bill No. S-50, to incorporate the Mortgage Insurance Company of Canada—Mr. Cameron (High Park)—Mr. Lamoureux in the chair.

On clause 1—*Incorporation.*

Mr. Scott: Mr. Chairman, I want to make a few remarks on this bill. They will not be lengthy but there are a couple of aspects of the bill that I think it is worth reflecting upon and placing some information on the record. The purpose of the bill is to create a mortgage insurance company which will then be used to provide mortgage insurance for other loan companies which will operate in each of the ten provinces. As was explained to us in committee, the mortgage companies that will be incorporated intend to supply a much higher ratio of mortgage lending to private home owners and owners of duplexes than is now available. I understand they will supply about an 80 per cent mortgage and this mortgage insurance company is intended to provide mortgage insurance for the top 20 per cent of the loan.

It is interesting to note that this is a new experiment in the field of mortgage law and is really filling a vacuum which exists at the present time. Those of us on this side of the house and various people in the government when they were on this side of the house advocated that the National Housing Act should be extended to fill this vacuum. I can recall sitting in the other corner in 1962 and hearing the now Minister of National Revenue when he was in the opposition day after day on the orders of the day ask the very urgent question, because all his questions were urgent, when would the government agree to extend the provisions of the National Housing Act so that it could cover older homes in the cities. We now hear the same gentleman giving the answers as a member of the treasury benches that he received in opposition, that this is under study, active study, careful study, urgent study, all sorts of things, and that eventually we may see such action.

Mr. Macdonald: I wonder whether the hon. member would permit a question. Is he not aware that there is an item on the order paper in the name of the minister proposing just such a measure?

Mr. Scott: Mr. Chairman, there are many items on the order paper, many of which we doubt will ever be presented to the house. I can refer to the great Canada Development Corporation, of which we have heard nothing more. I could refer to many items that have been placed on the order paper and which have never been put forward. This is a very urgent matter and I would have thought that with the great national importance that was attached to it in the last election it would have been drawn to our attention. With the spirit of unanimity and Christmas good will that is exhibited in the house, and inasmuch as everybody is in favour of this proposal, I am sure if the government will call the order right now there will be unanimous consent to put it right at the top of our business. If they will do so I will take my seat and I am sure we could pass it quickly.

Mr. Howard: Any more questions?

Mr. Scott: I merely wanted to refer to a booklet, "The Policies of the Liberal Party, General Election, 1963".

Mr. Baldwin: That is a bad subject for Christmas.

Mr. Scott: When I hold this document in my hands I almost feel I should bow, or perhaps wear gloves. I know it hurts—

Mr. Pickersgill: It hurts you more than it does us.

Mr. Scott: —that these matters should be placed on record. On page 9 we have these words appearing:

> Extend national housing legislation to provide insured mortgages for the purchase of existing homes as well as for building new homes.

The hon. member for Rosedale has said that this is on the order paper. We are glad to see it. We know that, like all commitments, it will be honoured. I am sorry, as I say, that the government does not consider it urgent enough to bring it forward now so we can pass it at once. As was pointed out in the committee, Mr. Chairman, I do think the government is doing a bit of a disservice to these gentlemen. The mortgage insurance company which these gentlemen have come here to have incorporated is going to have a very short life. These people are going to go to all the expense of setting up a mortgage

insurance company and incorporating ten other companies, one in each of the provinces, and the government is then going to honour its election commitment at the next session. We will presumably extend the National Housing Act to all existing homes and this poor company will probably be wiped out. I do not feel particularly sorry for these companies. They are probably well financed. I understand that the Bank of Nova Scotia is behind them. But it looks to me as though they are going to have a very short life indeed because of the assurance I have received from the hon. member for Rosedale that this matter will be proceeded with after our Christmas recess. I am delighted to hear it, and I hope that the people who are incorporating these companies and going to all this expense realize that the life of their companies is going to be a short one.

Clause agreed to.

Clauses 2 to 8 inclusive agreed to.

Preamble agreed to.

Title agreed to.

Bill reported and read the third time and passed.

THE PHARMACY EXAMINING BOARD OF CANADA

The house resumed from Tuesday, December 3 consideration in committee of Bill No. S-7, to incorporate the Pharmacy Examining Board of Canada—Mr. Mitchell—Mr. Lamoureux in the chair.

On clause 1—*Incorporation.*

[*Translation*]

Mr. Caouette: Mr. Chairman, until now we objected quite vigorously to concurrence in Bill No. S-7.

However, after having sort of washed out the measure the first time, as the hon. member for Quebec East (Mr. Beaule) would say, I talked with my friend, the hon. member for Sudbury (Mr. Mitchell) and we agreed that the amendments made to Bill No. S-7 seem to satisfy the Quebec college of pharmacists, as we had no request or representations from that college since those amendments were made. If the pharmacists had continued to object, we would have likely taken their remarks into consideration, but in the absence of representations from them, we do not intend to prevent concurrence in Bill No. S-7 which leaves to an organization of pharmacists full discretion to accept or to reject what is proposed in Bill No. S-7.

Consequently, we do not object to Bill No. S-7 being concurred in.

[Mr. Scott.]

[*Text*]

Mr. Scott: I wonder if the sponsor of the bill has given any consideration to the suggestion which I believe was made by the hon. member for Greenwood, that persons whose certificates of qualification are cancelled have a right of appeal?

Mr. Mitchell: I would agree to the amendment if the hon. member wishes to put it.

Clause agreed to.

Clauses 2 to 10 inclusive agreed to.

On clause 11—*Powers of board.*

Mr. Scott: I wonder if this clause could stand for a moment while I finish drafting the amendment?

Some hon. Members: Agreed.

Clause stands.

Clause 12 stands.

Clauses 13 to 16 inclusive agreed to.

On clause 17—*Borrowing powers.*

[*Translation*]

Mr. Beaule: Mr. Chairman, on clause 11, I wish to ask the hon. member for Sudbury (Mr. Mitchell) whether an applicant not licensed to practice pharmacy may obtain that certificate.

[*Text*]

Mr. Mitchell: No, Mr. Chairman, he cannot. A person who is a graduate pharmacist, recognized by any graduating body of any province, is a graduate pharmacist. He is the only one who could apply for qualification under this act.

Clause agreed to.

The Chairman: Shall we revert to clause 11?

Mr. Scott: It is actually clause 12.

The Chairman: Shall clause 11 carry?

Some hon. Members: Agreed.

Clause 11 agreed to.

On clause 12—*Removal from register.*

Mr. Scott: Mr. Chairman, I move:

That clause 12 be amended by adding subparagraph (d) to paragraph (1) so that it shall read:

"any person whose name has been removed from the register pursuant to section (1) shall have a right of appeal to the Exchequer Court of Canada for a review of the decision, and the decision of the court shall be binding on all parties.

Mr. Mitchell: Agreed.

Amendment agreed to.

Clause 12 as amended, agreed to.

Preamble agreed to.

Title agreed to.

Bill reported and read the third time and passed.

GOOD NEWS BROADCASTING ASSOCIATION OF CANADA

The house resumed from Tuesday, December 10, consideration in committee of Bill No. S-15, to incorporate the Good News Broadcasting Association of Canada—Mr. Enns—Mr. Lamoureux in the chair.

On clause 1—*Incorporation.*

Mr. Macdonald: Mr. Chairman, I would like to take the time of the committee for a few minutes to put on the record, certainly the views of this member and I think of a number of other members who constituted the committee which considered this bill in the miscellaneous private bills committee, and the reasons, apart altogether from the individuals involved in this particular case, why I think it would not be in the best public interest to enact this kind of legislation.

We discovered during the course of the rather prolonged hearings in the committee that this particular organization was one which arose out of a movement that had originated in the state of Nebraska, and which had ultimately achieved incorporation itself within the state of Nebraska. Subsequently the movement decided to undertake a Canadian operation and obtained a licence from the province of Manitoba, or rather, the Nebraska corporation obtained a licence from Manitoba to carry on its activities within that province. Subsequently the Nebraska corporation extended its activities throughout Canada, and I think the activities are adequately stated in the explanatory notes and in the powers of the bill. They basically involved the broadcasting of evangelical messages throughout Canada.

I would like to make it perfectly clear, and I am sure this feeling is shared by the other members on the committee, that we have no objection whatsoever to that type of broadcasting. We certainly have no criticism at all of the reverend gentleman who is responsible for the development of this particular organization in Nebraska. Indeed, viewing the financial statements of the Nebraska organization, and viewing the fact that he has in a period of approximately 15 years attained for that corporation total assets in excess of $1 million, one can only admire both his sincerity and his faith, and point out that the organization which he has built up to the present and the very broad activities which it carries out, is a tribute to his own personal character.

However, I would like to point out that in enacting this bill we would be creating not only a precedent, which might be taken advantage of by subsequent applicants for incorporations by way of private bills in this house, but we may also be creating a corporate body which, when the reverend gentleman to whom I have made reference, in due course passes on, might fall into the hands of a much less scrupulous and a much less devoted group of successors.

What the bill proposes to do is to create, by way of a private act, a corporation with no distinct congregation or body of members which will be able to control the directors or trustees, as they are referred to in this particular bill. In other words, a group of trustees or directors are being set up who are beyond the control of any particular group of supporting members. They will be entitled to carry on the corporation's activities, they will be entitled to solicit a very large amount of funds across Canada, and will be entitled to spend those funds and apply them for such purposes as they wish, without ultimately presenting their accounting to the control of any particular congregation.

Hon. members will at once see there is a sharp distinction here between the type of corporation proposed in this bill and the type of corporation such as the Lutheran corporation which we considered earlier today. In that case there is a congregation; there is a situation where you have a defined body of members who ultimately reserve the rights, and have property rights reserved under the law for the purpose of controlling that particular ministry.

There is no defined body of members in the Good News Broadcasting Association of Canada who will be in the position of controlling the board of trustees and controlling the ministry. Therefore the consequence is that there is no one basically to whom an accounting is to be made. There is no one to control the trustees in the course of their solicitation for public funds. There is no one ultimately to control the manner in which the funds are to be spent, the extent to which these funds shall be spent on expenses and the charitable purposes for which they are to be devoted, and in general terms to make certain the trustees in this particular case stick within the framework of their particular powers.

It is known that the corporate power conferred by this parliament can be withdrawn by this parliament, but I suggest in practical terms it will not be easy, or in fact practical, for any particular individual who may question the manner in which the corporation has been carried on, to come back to parliament and obtain a repeal of the statute.

I would point out that the problem involved in religious or charitable bodies of this kind has been met at various levels, and some of the provinces have various provisions, such as the province of Ontario, which has enacted a statute known as the charities accounting act. This act sets down a defined procedure whereby a body soliciting and applying for funds in the province must make an accounting to the public trustee of the province, a civil servant, an emanation of the government. They must make an accounting to the public trustee, as I say; they must explain how the funds have been applied, and when funds have been solicited or received they must make periodic returns of the amounts received and the persons from whom they were received. What is equally important are the provisions under section 6 of the Ontario charities accounting act whereby, to quote subsection 1:

> Any person may complain as to the manner in which a person or organization has solicited or procured funds by way of contribution or gift from the public for any purpose, or as to the manner in which any such funds have been dealt with or disposed of.

May I point out, Mr. Chairman, that machinery of that kind, and control provisions such as those contained in the charities accounting act of Ontario, are not paralleled at the federal level. There is no machinery such as is provided for by this Ontario statute which would enable individuals who are critical of the manner in which funds have been solicited or spent by a charitable organization to obtain any public review by any government body with regard to those particular activities.

I also point out that there is a very real question of doubt as to whether or not a provincial statute such as the one I have referred to would apply to a company incorporated under a private act of this parliament. Indeed, in the course of the committee hearings I expressly questioned the solicitor for the association as to whether or not the body, which is now authorized to do business in Manitoba and in fact is engaging in business throughout Canada, has raised funds in Ontario. He said yes, and he also acknowledged the fact that he made no returns under the Ontario law; and what is more, he said he did not have any intention of making returns under that law. He took the position that the provincial acts did not apply. I suggest, Mr. Chairman, there is a real doubt as to whether these provincial provisions can apply. Therefore, not only is federal machinery missing, but it is fairly clear also that the provincial machinery will be inapplicable.

It was suggested in the course of the committee's hearings that the various taxing authorities, who from time to time have the duty of conferring upon these bodies charitable status to entitle them to the tax deductions and exemptions available to charities, would in some way exercise some kind of police influence over the body in question. Without questioning the fact that the revenue will from time to time devote close consideration as to the amount spent by such a body or as to the manner in which it otherwise employs its funds, I suggest that the apparatus of the Department of National Revenue is, first, not available to question the manner in which funds are raised; and second, it is only partly available to look into the manner in which the funds are applied. Taxing authorities such as the Department of National Revenue may very well be interested in the amount of expenses, but there is no provision available for an individual to take exception to the manner in which the funds have been expended and to require some kind of accounting of the manner in which the funds have been used. He cannot require this through the taxing statutes.

It was also pointed out during the course of the hearings that there was a full audit of the operations of this particular corporation in Canada. I would point out, as I pointed out at that time, that no doubt it is true that an audit provides interested persons with a better understanding of the financial position of such a corporation, but an audit provides no kind of assurance at all as to the manner in which the funds may have been applied. An audit will tell us how much quantitatively was spent in what direction, but it has no way of qualitatively assessing the manner in which the particular funds were expended by the board of trustees.

Therefore I would submit, Mr. Chairman, that we would be creating a corporate body here which is in the position of soliciting large amounts of funds—and experience indicates they have had success in soliciting large amounts of funds—from people throughout Canada, and that the body will be substantially beyond the jurisdiction of any controlling authority in Canada, including the jurisdiction of the people who may actually provide the funds. There is nothing in this bill, as there is so often in the case of charitable institutions, under part II of the Companies Act of Canada, saying that a contributor of a certain amount shall become a sustaining member, that the contributor of a further amount shall become an honourary life member, and so on. There is no provision, in fact, decreeing who a member shall be, or that by reason of their financial contribution they shall be entitled to a particular right, such as to question the activities of the corporation.

I think it would be an unsound principle for this legislature to adopt the practice of creating such corporate bodies. It is for this reason that I personally expressed my opposition to this measure when it was before the committee. In doing so, Mr. Chairman, let me just reaffirm that I respect the good faith of the hon. member for Portage-Neepawa in bringing this matter before the house. I also respect the good faith, as I say, of the reverend gentleman who sought this incorporation and who has had such success in his evangelic methods. But I do not think this house should engage in the creating of such a corporate body, which substantially will not be responsible to the people from whom it receives its funds.

Mr. Aiken: Mr. Chairman, I want to say only a few words about this bill. I think that because it has been passed through the committee and is back in the house we should today express the opinion of the committee of the whole and of the house, if there is a difference of opinion, and come to a conclusion on this bill. I know that in the miscellaneous private bills committee the decision was finally made to report the bill with certain amendments, which are before us. I acknowledge that those who are opposed to the bill are opposed to it by virtue of honest belief that there is not sufficient control in connection with this company which seeks incorporation.

I would just like to make two comments, Mr. Chairman. First, I think this is a basic case of religious freedom. Second, we discussed in committee ways in which any improper action by the broadcasting company could be avoided. We brought in amendments in fairly large quantity which legally, I think would encompass the corporation with a great many limitations that were not originally intended. So I think there is no possibility of the corporation carrying on a business for which there is no supervision. I want to comment on one of the remarks of the hon. member for Rosedale in this regard.

In the committee there was no suggestion whatever of impropriety. This is a company which is making "Back to the Bible" broadcasts to the people, mainly in western Canada but also elsewhere in this country. There was never any question that the broadcasts were improper or were doing anything except providing the straight dissemination of the religious viewpoint of the Bible as seen by Reverend Epps, who appeared before the committee. There was no suggestion that Reverend Epps was not a straightforward and honest broadcaster whose messages are listened to in many remote sections of Canada where people have no opportunity of going to church. There is no suggestion at all that there is anything improper about these broadcasts. There were suggestions that perhaps the whole set-up was not tight enough to prevent abuses of the privilege that parliament was being asked to grant with regard to charitable donations.

One of the clauses in the bill states that the object of the corporation, among others, is to accept charitable donation. Some members of the committee feared that the inclusion of this object in the bill might give the broadcasting corporation automatic status as a charitable organization in the light of which they could say to those responsible for collecting income tax: We do not need to qualify as a charitable organization because we have been qualified by parliament. To prevent such a thing happening an amendment was introduced to subclause (c) of clause 4 stating that this provision would not relieve the corporation of the necessity of complying with the provisions of any other statute relating to charitable organizations.

Thus, this organization is still required to make returns to the income tax department in order to qualify as a charitable organization. I make this appeal to the committee. This is a progressive corporation with religious objects. No impropriety was ever suggested with regard to it. If we deny the request of this organization we shall be denying it equality before the law in the parliament of Canada. Other organizations are incorporated to carry out religious and charitable objectives and the same privilege should be extended to this organization, regardless of the fact that it has its origins in the United States. For these reasons I appeal to the committee to let this matter come to a vote and, when the vote is reached, to support this bill.

Mr. Macdonald: I wonder if the hon. member would permit me to ask him a question? Would he not agree that it would be desirable in the case of this religious body, as in the case of all others which come before the house, that there should be some ultimate control exercisable by those who give their financial support over the manner in which the ministry is conducted?

Mr. Aiken: The question is a reasonable one. It was raised in the committee. There are directors, all of whom must be Canadians, as provided in this particular bill. There is no church congregation in the ordinary sense of that word. It would be impossible to have one in the circumstances in which this organization is set up. The corporation broadcasts its appeals. It receives contributions, presumably in small sums of money—one dollar, or two dollars. People put these sums in envelopes and send them

in to support the broadcasts and the missionary work. But by the very nature of the operation there is not a congregation in the normal sense of that word.

The operation must, therefore, be carried on by those who have banded together to run it. There are seven or nine general directors of the world wide organization, and there are three in Canada. I admit there is not a congregation in the normal sense; neither are we establishing a religion or a church. We are merely recognizing a state which exists; we are recognizing an organization which makes broadcasts and which requests funds. I point out again that in this bill, and particularly in the terms of the amendment, we have required this organization to make a return under the Companies Act and under the Income Tax Act. These conditions have been tightened up as far as possible, and although there is no congregation there is a governing body which is responsible to the organizations to which reports are made. There is no provision for an annual meeting. It would virtually be impossible to bring together all the people who have made contributions so as to hold such a meeting. It would be too much to expect those who had contributed a dollar, or two dollars, or even ten dollars, to travel the length and breadth of this country in order to take part in an annual meeting.

I think we have to recognize the existence of this organization. To say it is different is not to say we should not allow it to operate. I do not think we have a right to tell a religious organization how it should operate. I do not think we have the right to say who shall be the officials of such an organization or how it shall be set up. If we did that, we should be getting into trouble. I think we must recognize that this is a religious body, that it is set up in the best way open to us, and that we have to accept it.

Mr. Olson: There are one or two questions I should like to direct to the sponsor of this bill. I may say that from what I know of the Good News Broadcasting Corporation I agree with the remarks which have been made; it in sincere in its attempt to promote Christianity. I would not disagree with that. But I was not a member of the committee and I should like to know whether donations to this organization qualify at the present time for exemption from income tax, particularly in Manitoba. I should like also to know whether this body has encountered any resistance from provincial governments or other groups with regard to its activities in the provinces. I agree that an amendment such as has been described might answer many of the doubts some members have felt, but even though the technicalities of the law may have been met I believe we must be concerned to see that funds are dispersed in accordance with the wishes of those who contribute. It would be interesting to know whether, if this act were passed, the organization would have the authority from parliament to circumvent provincial statutes set up to control charitable organizations.

Mr. Aiken: I would like to ask the sponsor of the bill to answer those questions.

Mr. Enns: First of all, the hon. member asked whether contributions to this organization are deductible under the Income Tax Act. The answer is, yes. For a number of years the corporation has had the authority to issue receipts which are acceptable as showing that certain sums have been donated to a charitable organization.

The hon. member asked if there had been any objection from the provinces or provincial bodies with regard to the activities of this corporation across Canada. I would say there have been no registered official objections as far as any provincial government or organization is concerned. There has been no organized objection to this group per se. The very fact that it is expanding its services is testimony to the value these programs must have to the many citizens who listen to them. Donations are voluntary. No one knocks on any door. People want to listen to the programs or they do not. They can turn their radios off if they wish. Few church organizations can exist on the basis of so loose a financial structure. Many churches live on pledges. This is done entirely by voluntary support. Testimony was given before the committee that over one million letters had been received in the past year alone. This is good testimony to the usefulness of, or to the need for, an operation of this kind.

I believe the next question which the hon. member asked related to the availability of an auditor's statement, or of a financial statement. I think the undertaking is certainly present that any donor requesting a financial statement can have his request granted.

The hon. member for Parry Sound-Muskoka (Mr. Aiken) has already mentioned how difficult it would be to conduct annual meetings when there are listeners from British Columbia to Newfoundland. This is entirely a national organization. You cannot very well bring people in to these meetings; you could not have a big enough hall to hold all the people who are interested. Therefore it is left to those persons desirous of getting a factual statement to see that this will be provided. I merely want to reiterate that the service of

the Good News Broadcasting Corporation is widely endorsed across Canada, just as it is in the United States.

There was some objection raised about this company having a parent organization in the United States. I do not think this objection is relevant because religion is not a national item and we really would not want to object on that ground, I am sure. The fact that the organization has come to the parliament of Canada for incorporation means, by that very act alone, that it is accepting further imposition or restriction. Because whether or not parliament passes the bill the company will continue operating, and there is really nothing which can be done to stop them. What they are doing now is becoming a Canadian corporation and subjecting themselves to the further regulation that this implies. I appeal to all hon. members of the house to give favourable consideration to the passing of this bill.

Mr. Macdonald: Mr. Speaker, might I ask the hon. gentleman a question. I think I am right in saying that the hon. member for Portage-Neepawa did not quite answer the question put to him by the hon. member for Medicine Hat. His question was, as I understood it, whether there is any anticipation that this corporation, by the act of its incorporation, will circumvent provincial laws. May I point out that, as I pointed out in my own remarks, counsel for the corporation indicated that the corporation, when it was licensed merely to carry on business in Manitoba, had not attempted to comply with Ontario law. Notwithstanding the fact that it had raised money in Ontario. And counsel indicated, it was not his intention to advise the corporation to comply with Ontario law if in fact incorporation is granted.

Mr. Enns: I certainly hope the hon. member for Rosedale is not imputing a lack of willingness to co-operate on the part of the corporation. I am sure that is not his intention. I think it is merely because there has not been a request made of the corporation by any province to file returns to comply with any provincial statutes in this regard.

[*Translation*]

Mr. Caouette: Mr. Chairman, Bill No. S-15, an act to incorporate the Good News Broadcasting Association of Canada, raises a number of questions. Is it a new Christian sect? Is it necessary to introduce a bill in the house when a member rises and says that this association is already preaching the Christian doctrine in Canada? That is precisely the point which I do not particularly like.

In fact, quite often in the house, we are told: It does not matter whether you accept the bill or not, the corporation is already in operation in Canada.

Now, what are the aims of the said corporation? Section 4 states:

> The objects of the corporation shall be
> (a) to promote the dissemination of Christian knowledge and to promote, organize, establish, maintain and carry on, conduct and assist organizations or facilities for the dissemination of Christian knowledge in all its branches and activities, including foreign and home missions, publishing houses, seminaries, schools, colleges, public correspondence schools, hospitals, dispensaries, parsonages, orphanages and homes for the aged, and any other institutions and organizations for charitable purposes or any of them;
> (b) to supply and render charitable services to poor and needy persons.

At this stage, Mr. Chairman, one is justified to wonder whether this is an organization similar to the Salvation Army?

Is the activity of this corporation a duplication of that of the Salvation Army, which I will admit, renders tremendous services in all parts of Canada?

Paragraphs (c) and (d) of section 4 read as follows:

> (c) to give and to receive donations for charitable purposes and in connection therewith to do all things reasonably necessary in order to comply with any terms stipulated by the donors of gifts made from time to time to the corporation; and
> (d) to do all such other things as are incidental or conducive to the attainment of the above objects.

Mr. Chairman, the primary question, I believe, is to know since when this organization has been operating in Canada, in what provinces, and through what radio stations.

I understand that the headquarters of the corporation are located in Winnipeg, but it is always dangerous for us, in parliament, to pass legislation to give the right to receive donations for charitable purposes.

Quite often, so-called charity organizations were created here and there in Canada, but then people found they were organized rackets more than anything else.

I should not like this bill to make it possible for an organization of three or four men to form another racket.

If its purpose is to promote Christian doctrine, is it a new religion or is it just an organization like the Salvation Army that we are being asked to authorize in Canada? If so, I would say that our country already has numerous organizations to look after the poor and the destitute, in other words all those who suffer.

Mr. Chairman, if that organization is already operating in Canada, as the hon. member has stated a while ago, why is this bill presented to us and why are we told

"Whether you pass it or not, the organization will continue its operations just the same".

I feel we should have more information. We need explanations concerning the set-up of that organization and the number of years it has been in Canada or in the western provinces.

[*Text*]

The Chairman: Order. Shall I rise, report progress—

Mr. Enns: Mr. Chairman, I know the hon. member for Villeneuve has raised certain questions, but these are the kind of questions which were discussed in committee and the committee did in fact come out with a divided vote in favour of the bill. I feel this is merely a repetition of discussion which has taken place in the committee, and I request that the question be put.

Mr. Cowan: Mr. Chairman, I have some comments I should like to make on this bill. I am opposed to the incorporation of this organization under a federal charter. I was a member of the miscellaneous private bills committee and I sat—

The Chairman: Order. The hon. member would require unanimous consent of the house to go on now.

Some hon. Members: Six o'clock.

The Chairman: Shall I rise, report progress—

Mr. Aiken: Mr. Chairman, do we have unanimous consent to continue?

Mr. Cowan: No, because I want to make some extended remarks.

The Chairman: We do not. Six o'clock has been called by a number of members.

Mr. Aiken: This is an outrageous breach—

The Chairman: Order.

Mr. Aiken: It is an outrageous breach of religious freedom in this country.

The Chairman: Order. Shall I rise, report progress, and request leave to sit again later this day or at the next sitting of the house, as the case may be?

Some hon. Members: Agreed.

Progress reported.

Mr. Deputy Speaker: Will the house give leave to go into committee of supply?

Some hon. Members: Agreed.

SUPPLY

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

[Mr. Caouette.]

The Chairman: It being six o'clock I do now leave the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

DEPARTMENT OF PUBLIC WORKS

1. General administration including a grant of $2,000 to the Canadian good roads association, $10,695,000.

[*Translation*]

Mr. Deschatelets: Mr. Chairman, it is the third time tonight that my estimates come up for consideration by the committee, and I think it would be better if, at this stage, I answered as briefly as possible the various points which hon. members have seen fit to raise.

Before doing that, however, I should like to remind hon. members that, in my original statement, on the first night my estimates were under consideration, I did mention the important points to which in my opinion it was necessary to refer here in order to fully appreciate the significance of the various amounts submitted to the consideration of the hon. members.

When the Minister of Finance (Mr. Gordon) tabled the estimates, in May 1963, he announced that they would be revised in order to reflect, as closely as possible, the amounts that my department would be actually spending this year. Of the amount of $166 million, that is the sum of the general votes for the year 1963-64, $7,391,195 will not be required, and amendments will be brought up when we take up these different items. On the other hand, additional amounts will be required for new projects, which will be outlined in the list of supplementary estimates and which amount to $12,800,000.

In brief, I would ask you to approve a total of $172,300,000, that is $6,300,000 more than what was estimated by the previous administration.

That being said, I would now like to comment on the various points raised by hon. members.

The hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) did not see fit to express his views on questions of such significance, for instance, as the part the Department of Public Works should play in the economy of this country; he restricted his remarks to purely local questions, of minor interest. I shall answer as follows the various points he raised.

I must first of all call his attention to the fact that the Department of Public Works was

relieved of the responsibility for the administration of the Central Mortgage and Housing Corporation. On the other hand, I am responsible for the world fair of 1967, I am answerable to the house for the national capital commission and, lately, I had to assume responsibilities which, up to now, belonged to the Department of National Defence.

The hon. member for Joliette-L'Assomption-Montcalm mentioned an incident which was reported to have taken place in the Montreal office of the Department of Public Works, at the opening of the tenders for a contract concerning urgent works in St. Vincent de Paul. The journalists were present then and I was very surprised to read in the Montreal *Matin,* the day after that incident, an article saying the minister had been in touch personally with the company that had submitted the lowest tender. I repeat here what I said then: That is entirely false but, since the work to be done at St. Vincent de Paul was so urgent, I had asked the acting deputy minister to call that company as soon as the tenders were opened to inquire if it could get to work immediately. That is why the acting deputy minister of public works made that call.

I would think that the hon. member linked that matter to some allegations of patronage, also with regard to my office in Montreal. Therefore, I would like to say this: The house should know that when my predecessor, the Hon. Mr. D. Fulton, introduced me to the officials of the department, when I arrived at the office of the Department of Public Works, he asked me if I was bringing my staff with me.

I asked Mr. Fulton whether he was satisfied with his staff. He answered in the affirmative. I then said: I willingly accept to keep all your employees. This was done with one exception, I think, of the private secretary to the minister who followed him in British Columbia for an election venture which did not prove successful.

Afterwards—I believe it was in May—the Department of Public Works needed a good stenographer. At that time, I heard that the secretary to the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) was quite competent. I took the liberty to offer her a job in my office. So my present secretary is the girl who had been secretary to the hon. member for Joliette-L'Assomption-Montcalm for a few years.

An hon. Member: Is she any better than the hon. member?

Mr. Pigeon: You have an excellent secretary.

Mr. Deschatelets: Then I say this: in that light, I think the allegations of the hon. member for Joliette-L'Assomption-Montcalm in his remarks are not justified. I can assure him right here that we do all we can to avoid any discrimination, because we realize that we are at the service, not only of the public, but also of all hon. members on both sides of the house who are entitled to services like the ones a department like this one can provide.

The reason it looks as though I have a little more elaborate staff than usual in Montreal is that in view of my responsibilities as minister responsible for the world fair and for the public works department, I found out that I could not attend to my duties here in the house as I should, because I understand that the main concern of a member or a minister must be the House of Commons and, like all previous ministers, I opened an office in my home town. Since there was no public federal building in my constituency, I was offered an office completely separate from the Department of Public Works on Delorimier street, in Montreal. In that office, there are three permanent employees: a retired civil servant age 69, a young man of 22, and a girl working full time. For the last two months, there has been a part-time stenographer who will quit at the end of the month.

I want to give my hon. friend for Joliette-L'Assomption-Montcalm the assurance that as far as decisions are concerned with regard to public works projects, only the need and the urgency of that need are taken into consideration to determine the time and place of such projects.

The hon. member mentioned a promise the Prime Minister made in Riviere du Loup, namely the development of a deep-water seaport. May I remind the hon. member that it was not a promise but a commitment and like all commitments made by this government and the Prime Minister, it will be kept.

A few days ago I sent to the hon. member for Riviere du Loup (Mr. Gendron) a letter which is perfectly clear on this matter. I wrote that we have decided to proceed with the development of a seaport at Riviere du Loup as soon as the best site is determined by our engineers, and that this important project will mean serious economic improvements for the whole area.

The hon. member has also mentioned the fact that we had, or that I had, through my behaviour, caused undue delays to the directors of the world exhibition. May I be allowed to point this out to the hon. member: while the previous prime minister was campaigning in western Canada last March, he sent to the directors of the world exhibition a telegram

in which he stated he approved, in principle, the site that had been chosen by the city of Montreal, on two conditions.

In May 1963, we confirmed in principle the choice of the site, but we said at that time: "We shall give our consent only when the engineers have determined whether that site is appropriate and under what conditions."

I do not remember the exact date, but I clearly recall that we received—I think it was on a Wednesday or a Thursday—the reports from the experts of the Lasalle laboratory in Montreal, to the effect that the site was appropriate provided a breakwater were built above Champlain bridge. Within the next two or three days, we gave our approval, and our engineers then advised the government to proceed with a stationary structure instead of a mobile one, as had been recommended by the engineers of the city of Montreal.

The hon. member for Joliette-L'Assomption-Montcalm has raised other points. I will take the opportunity to deal with them at the same time as those raised by other members.

The hon. member for St. Mary (Mr. Valade) alleged that there was patronage in the organization of the Montreal world exhibition. I will not take the trouble even to deny that baseless statement.

But I am glad that he raised the point because it gives me an opportunity to say this: The Canadian World Exhibition Corporation has the status of a crown corporation and, from the outset, whether it be to the former commissioner or the present, I said that what we expected from them was an exhibition worthy not only of the city of Montreal, but of Canada. Moreover, I clearly stated that they should discharge that responsibility and, for that purpose, they could count on us to give them complete freedom in their administration.

If my hon. friend had followed the appointments which have been made up until now in connection with the world fair, he would know that with the exception of the positions which are to be filled by the governor in council the officials of the fair have chosen their own staff and assumed the responsibilities we entrusted to them.

The hon. member for St. Mary (Mr. Valade) also mentioned the east-west trans-Canada highway in Montreal. That is a large scale project in which members on this side and I have been interested for a number of years. The question raised by the hon. member gives me an opportunity to say that we claim our fair share of this initiative. It will provide Montreal with a super-highway which will be second to none in North America.

[Mr. Deschatelets.]

I must point out to the hon. member that we entered into this agreement about four months after coming into power.

I should now like to say a few words about the remarks made by the hon. members for Cariboo (Mr. Leboe), for Comox-Alberni (Mr. Barnett) and for Macleod (Mr. Kindt). They referred to the Alaska highway for which my department will be responsible as of April 1 next.

It is understood that we shall be careful to see that the transfer of responsibilities from the Department of National Defence to the Department of Public Works will not cause any inconvenience to those who live or work in that area.

Those hon. members also mentioned a trans-Canada highway system.

[*Text*]

I do not know if they had in mind the construction of a second trans-Canada highway or a new highway program, but may I say their suggestion so far as the trans-Canada highway is concerned will be taken into consideration and, as they know, we are reviewing the position of the federal and provincial governments in respect to this matter. Discussions at the official levels have taken place, and we already have the intentions and wishes of every province in this regard.

Hon. members will recall that this matter was discussed at the last federal-provincial conference. It is still on the agenda and will be discussed again when the conference resumes in March next.

There was a reference by the hon. member for Cariboo to the entrance fee for national parks. Of course this is a matter which falls under the jurisdiction of the Minister of Northern Affairs and National Resources.

Mr. Barnett: Would the minister permit a question at this point. The matter was raised by the hon. member for Cariboo and myself, to the effect that this jurisdiction of the national parks administration over certain sections of the trans-Canada highway has created a toll charge on the use of certain sections of the highway. Will the minister interest himself in taking this matter up with the parks administration and see whether something could be worked out which would make it possible for people who desire to use the highway, and not the national parks, to travel along it without paying this charge?

I might point out that in the province from which I come this question of tolls on the trans-Canada highway has been the subject of some considerable discussion, and for a number of years was a matter of controversy

between the federal and the provincial government in cases where the provincial government had some toll arrangements to which the federal government objected.

Mr. Deschatelets: Mr. Chairman, I understand that a fee is always an inconvenience to those who have to pay it, but the question raised by the hon. member will be discussed by the minister of northern affairs and myself, and later on I will let him know the result of that discussion.

[*Translation*]

Now, Mr. Chairman, the hon. member for Comox-Alberni complained that I had dealt very briefly with the part, as I see it, which the Minister of Public Works is called upon to play in the economy of the country. He stated that this department should be an economic instrument to promote the economic development of Canada. Well, I will tell him that I agree with his views and that the only reason I did not raise this very important point is due to the fact that the estimates submitted to the hon. members' attention today are those of the previous administration and I thought that it would be wise to wait until I introduce my own estimates in a few months.

However, I want to mention right away that the Department of Public Works has a major role to play in the economic field and that the time is past where the department was only good to build post offices or other public buildings. Above all, the department must be one of projects, of construction work.

I have already visited several projects in the provinces and especially in the Atlantic region. At the next opportunity, I shall make it my duty to visit the other western provinces. I am now convinced that many distressed areas I have visited, that lack primary or secondary industries, are areas where the Department of Public Works, by means of some important works or projects, can create just those favourable economic conditions which would promote the development of private enterprise.

I am thinking now of harbour and navigation and communication facilities. I feel that large scale redevelopment operations should be carried out in some areas, including the means of communication which have been non-existent until now. That is why private enterprise has not been interested in settling in the districts concerned.

That is one aspect of my department's estimates and I thank the hon. member for having brought it up. However, I intend to say more in that connection when I introduce my estimates in a few months time.

Mr. Chairman, several members have spoken of the trans-Canada highway.

[*Text*]

I think I should mention here that four provinces have already completed their highways program, namely Manitoba, Saskatchewan, Alberta and Prince Edward Island. British Columbia has nearly completed its program. As hon. members will recall, we have given to the Atlantic provinces a special program where it will be possible for them to complete their highways under the act with an increased share on the part of the federal government from 50 per cent to 90 per cent. Mr. Chairman, I wish to thank the hon. member for St. John's West for his remarks. We have taken careful note of his suggestions for many projects interesting his riding.

[*Translation*]

For the information of the hon. member for Broadview (Mr. Hahn), I can say that we shall bring special attention to the improvement of architecture in public buildings. I have had several discussions with the chief architect of the department about that, and the hon. member can be sure that everything possible will be done to improve the building standards.

The hon. member for Carleton (Mr. Francis) dealt with the national capital commission. Following the speech he made, we announced various important projects concerning the capital.

As for the comments made by the hon. member for Skeena (Mr. Howard)—

[*Text*]

May I say to the hon. member for Skeena that I appreciated and enjoyed the comprehensive survey he gave of his constituency and of its many needs. I will not attempt to deal with them individually but the hon. member can be assured that careful consideration will be given to the suggestions he has made.

[*Translation*]

Mr. Chairman, I come now to the remarks made by the hon. member for St. Hyacinthe-Bagot (Mr. Ricard). May I tell him that nothing is changed in the system of calling tenders.

The hon. member brought up the matter of the building of a penitentiary in St. Pie de Bagot, and I am informed that in the meantime an answer was given to him by the Minister of Justice (Mr. Chevrier). It is up to the Department of Justice to choose the site of a penitentiary.

Mr. Chairman, I wish to thank the members who have spoken on my department's estimates and I do hope that the first item will be carried as quickly as possible.

Mr. Ricard: Mr. Chairman, I should like to thank the Minister of Public Works (Mr. Deschatelets) for what little information he gave me in reply to the questions I asked when he introduced his estimates.

In view of his answers, I feel I am justified in returning to the charge since the minister does not seem to have given me all the information I am entitled to.

First of all, as for the purchase of land by his department for the construction of a penitentiary in the parish of St. Pie de Bagot, I am convinced that my constituents wish to have much more information than the minister has given me.

Not taking into account the evasive replies I received from the Minister of Justice (Mr. Chevrier), I should like the Minister of Public Works to tell me what use will be made of the four farms which were bought for the construction of a penitentiary in the parish of St. Pie de Bagot.

Mr. Chairman, the officials of the departments of public works and of justice have spent a sum of $83,000 from the public funds to which you and I, and the workers and farmers of my constituency as well have contributed, and I believe that the evasive answers given to me do not warrant the expense.

So, I insist with the Minister of Public Works, because first I believe him to be less arrogant than his colleague, the Minister of Justice, and also because I am of the opinion that he will better understand the kind of information I am seeking. I just want to know what future use is contemplated for the four farms which were bought in St. Pie de Bagot.

Why, Mr. Chairman, have they put a stop to a project which was to bring to my constituency the construction of an institution at a cost of $4,500,000, which would have given work—

An hon. Member: Order.

Mr. Ricard: Do you have something to say, my hon. friend? You will have the opportunity when I am finished, if you will listen.

I wonder why the project has been discarded after so much work has been done?

When the estimates of the Minister of Justice (Mr. Chevrier) are under consideration, I will have to rise again to ask the minister a justification, for it seems to me bad economics to spend $83,000 and then to abandon the project.

I should like to ask the Minister of Public Works (Mr. Deschatelets) another question. Do inspectors on retaining wall construction projects have to be on the site 10 hours, eight hours or during the normal working hours of the workers? The minister has not replied to that question either. Yet, I feel that he should explain the conduct of workers who are paid out of the public funds which are entrusted to his department.

Referring to page 340 of the estimates, I should also like the minister to tell us why his department's 1963-64 estimates were reduced by $1,799,000 as compared with those of 1962-63?

In my opinion, that is a matter of some importance for the taxpayers. I feel they are entitled to some information concerning the way the government spends the money they pay in taxes either weekly or yearly. I would be happy if the Minister of Public Works would furnish this information, which might at the same time be useful to his colleagues sitting on his side of the house, since, no doubt for reasons of discipline or constraint, even though they do not know what is happening in their own constituencies, some members do not dare ask questions in the house.

Mr. Deschatelets: Mr. Chairman, I would like my hon. friend to give me some additional information concerning the third point he raised. I understand he wishes explanations on a reduction of estimates between the years 1962-63 and 1963-64. If this is what my hon. friend meant, I should point out to him that those estimates were made up by the former administration. But, before answering him, I would like to have more information, for I cannot answer that question now; perhaps I have misunderstood—it is about the amount of $1,799,000?

Mr. Ricard: I refer to the estimates on page 340 of the blue book. I ask the minister to give us explanations concerning the reduction of $1,799,000 between the estimates for 1962-63 and those for 1963-64.

I suppose that since the time he assumed his portfolio, the minister must have been informed of the projects to be carried out in the province of Quebec. Therefore, he should explain this cut in the expenditures. Why is the province of Quebec deprived of nearly $2 million worth of public works?

Mr. Deschatelets: Mr. Chairman, I shall give the hon. member the information he seeks in a minute but I should like to point out, first of all, that our predecessors were in power during those two fiscal years—

Mr. Ricard: The 1963-64 fiscal year is your baby.

Mr. Deschatelets: These are the estimates of the former government. Be that as it may, I shall give the hon. member a reply as soon as I have the information.

Now, I do not wish to go any further as far as penitentiaries are concerned. We are the building agents for the Department of Justice, and I think that during the session, answers were given to various questions by the Minister of Justice on that matter.

As regards inspectors, I must say that as a general rule, they should remain on work sites permanently. In a case where an inspector lives near that site, he would of course be allowed to go home at meal time.

Mr. Caouette: Mr. Chairman, I was quite impressed by the policy statement made by the Minister of Public Works concerning representation in parliament. He had fine words for us and in fact, I must admit that in the federal cabinet, he is one of the most courteous ministers to all hon. members. I do not agree with all his political opinions nor with his views concerning his departmental expenditures, but I must recognize that he is very human and easy to meet. He even anticipates and calls us to give information before we ask for it.

On that score, I sincerely congratulate him. But I bring to his attention the case of some officials of his who seem eager to play patronage in the administration of the public works department.

In my riding, for instance, I see departmental officials transact business with the former Liberal candidate, Stephen Cuddihy, or the general organizer for Val d'Or, notary Jos. Morin. Whenever there are public works to be done or transactions to be made for the building of post offices, we see right away the names of Mr. Cuddihy, of Rouyn, or of notary Morin, of Val d'Or. I wonder why officials of the Department of Public Works, when they write to those people, do not send a copy of their letter to the rightfully elected members in their respective riding. Why do they not send us a copy of those letters so that we may know at least what the Department of Public Works is doing in our ridings?

For instance, in Cadillac, near Rouyn, there was an agreement for the construction of a post office. The land selected will cost $2,000 to the government. Since the town of Cadillac could be termed a ghost town, because the various mines have been closed for several years, it is easy to find lots at lower prices and even a street corner, since a street corner was sought there.

The same thing happened in Duparquet—I just received a letter from Duparquet yesterday—where a post office will be built under the winter works program. Apparently, the people do not really need the proposed post office; they would need rather something else, such as a parish hall, a community centre, but they are quite satisfied with their present post office.

It seems to me that the officials, and the inspectors of the Department of Public Works should go there and ask the opinion of the Duparquet citizens and not that of the Liberal organizer to know how the available funds should be spent in the best interests of the people and the town.

A few days ago, I also asked the Minister of Public Works whether it would be possible to build a wharf at lake Boischatel. I was promised at that time that inspectors would go and investigate on the spot. So far, they have not been there.

There is another point I would like to speak about, while on the subject of Villeneuve county. I have in mind the town of Noranda. We have a level crossing, and I understand that this is a matter which concerns not only the Department of Public Works but also the Department of Transport, which has something to do in that field of construction; as I was saying, we have a level crossing with four railway tracks. These tracks paralyse traffic every day, for ten or twenty minutes, when it is not for a full half hour.

It would seem imperative to build an overpass in Noranda. Let the Department of Public Works confer with the Department of Transport or with the Canadian National Railways but, by all means, let us find a solution to that problem. We have been asking for an overpass in Noranda for the last ten years.

The other project I think the minister could consider and probably carry through, still under the winter works program, is this one. Between the two cities of Rouyn and Noranda, we have an exquisite little lake called lake Osisko. The waters of that lake have been poisoned by the acids dumped there by the Noranda mine and other mines in the surrounding area.

Now, for the past few years, they have stopped dumping those poisonous acids in the lake. The thing to do would be to clean it, which would give a brand new look to the cities of Rouyn and Noranda. In my opinion, instead of having our unemployed cut small twigs in wintertime along the trans-Canada highway, it would be better to start purifying that lake.

The Minister of Public Works claimed a while ago that his department was not, necessarily, a department of public works only but that it should also deal with projects and buildings, and I agree completely with him on that. The Department of Public Works will spend $178,906,000 this year. It is a very important department.

When you look under the heading "Public buildings—construction and maintenance—the breakdown of expenditures by province—you will find that one of his colleagues, the Secretary of State (Mr. Pickersgill) was not too greedy: $130,000 for the province of Newfoundland. Nova Scotia, $700,000; New Brunswick, $200,000; Quebec, $2,105,000 compared to $3,940,000 for the year 1962-63. In a short while we will probably be given the reasons for this decrease of $1,799,000 in the case of the province of Quebec.

The hon. member for St. Hyacinthe-Bagot (Mr. Ricard) asked a while ago the reason for that state of affairs and the Minister of Public Works told him that those were the estimates prepared by the Conservative government. I am inclined to believe that is true; we are studying the Conservative government's estimates at the present time.

We want to know the reasons for that decrease and whether it is possible to offset it by increasing the amount of construction in order to keep for the province of Quebec the million dollars which would be of great assistance. I think that the province of Quebec really deserves it.

As regards the Ottawa district or rather the city of Ottawa, $14 million are appropriated in order to carry out the federal program. The province of Ontario, excluding Ottawa, gets $5,280,000; including Ottawa, the amount comes to $19,685,000 for the province of Ontario. The province of Manitoba receives $75,000. The province of Saskatchewan, $190,000. The province of Alberta, $1,410,000 and British Columbia, $1,615,000. The Yukon and the Northwest Territories get $3 million.

Now the Minister of Public Works spoke about the attention the department, its officials and its architects devote to the architecture and appearance of public buildings.

Some years ago, the government ordered an extension of the post office in the city of Rouyn. At that time, we had a Conservative government. Now, when that annex was constructed to the post office of the city of Rouyn, the whole population wondered whether it was not a hen house, and this, because the appearance is terrible and entirely void of good taste.

I do not know who was the architect that made the plans for this extension to the post office of the city of Rouyn, but it is an eyesore, and located right in the center of the town. I would suggest to the minister to send his architects to Rouyn to give a better appearance to the post office, for that building, after all, shelters the post office of the metropolis of northwest Quebec, since Rouyn is the most important town in that area.

Mr. Chairman, I therefore submit those suggestions to the attention of the Minister of Public Works, as regards that part of the province of the county which is called the Villeneuve constituency.

The minister mentioned also the site of the world fair. The site has been chosen. The work is already progressing rapidly. The Minister of Public Works is not the only one responsible for the choice of this site, in Montreal.

I believe that the first steps for holding of the world fair in Montreal were made by His Honour Mayor Drapeau of Montreal who convinced every country in the world to hold the world fair in Montreal.

Mr. Pigeon: May I put a question to the hon. member for Villeneuve?

Mr. Caouette: By all means.

Mr. Pigeon: Does the hon. member not think that if the world fair is held in Canada and in Montreal in particular, it is also thanks to the former government?

Some hon. Members: No.

Mr. Caouette: I wish to thank the hon. member for Joliette-L'Assomption-Montcalm for his question. He is so self-centred that no one can hold it against him. True, the Conservative party was in power when the question came up for the first time but it was not settled at that time. Even if the Conservatives were in power, it is the mayor of Montreal who took the initiative.

Mr. Valade: That is not so.

Mr. Caouette: The mayor of Montreal had set his heart upon holding the world fair in his city.

Mr. Valade: That is not so.

Mr. Caouette: The world fair will be very beneficial to the Montreal area, indeed to the whole province, and even to all parts of the country. Expressways will be built, as well as residential and commercial projects in the Montreal suburbs, and will extend as far as Quebec city. This will surely promote a great deal of economic activity in our province.

In that connection, I commend the former government and I also congratulate the Minister of Public Works and the present government for the stand they both took in order to help the mayor of Montreal and the province of Quebec in obtaining that the world fair be held in Montreal. I am sure that all hon. members and all the Canadian people will go to Montreal on that occasion because there will be several million visitors in Montreal during that year of the world fair.

So, Mr. Chairman, we are prepared to accept most of the estimates although we will have certain questions to ask.

In closing, I point out once again to the Minister of Public Works the matters I mentioned concerning my constituency. I hope that his officials will send us a copy of their letter when they write to someone in our riding. It seems to me that would be elementary courtesy. We have nothing against the officials but we wish to be consulted or, at least, be made aware of what is going on or what the government decides to do in our riding.

[*Text*]

Mr. Herridge: Mr. Chairman, these are very important and interesting estimates, for one reason because the buildings and works of the Department of Public Works are one of the few physical manifestations of a federal government in most constituencies, and people take particular interest on that account. I am particularly interested in this department because I have had a close association with the officials of the department in British Columbia for over 50 years. I have had some experience in this field. As a matter of fact, some of the happiest days of my life have been spent around wharves, floats, dredges and things of that sort and that is why I am inclined on occasion to dredge things up. Anyway, I congratulate the minister on his appointment and I must say I appreciate his courtesy and promptness in dealing with any matters I have brought to his attention. I wish him well in all he undertakes in connection with the department.

I listened with interest this evening to his review and we shall look forward particularly to the introduction of his estimates next session because I am confident he is giving serious consideration to them on a planned basis. I think he has been influenced by this side of the house a bit in that respect. Throughout the years visits of federal ministers to the Kootenays have been somewhat rare. I do not know whether it is because we are off the beaten track to some extent, but we will not be when we get a second trans-Canada highway going through Lethbridge, Trail, Hope—

Mr. Baldwin: And the Kettle valley railway.

Mr. Herridge: —and parallel with the Kettle valley railway. I extend to the Minister of Public Works on behalf of the people of Kootenay West a hearty invitation to visit the garden of Eden and to meet with the representatives of the municipalities and other organizations. If he will only let us know when he is coming I can assure him he will be taken about the constituency, he will see all he wants to see and he will see first hand what is required from the federal Department of Public Works in Kootenay West.

I also want to express my sincere congratulations to his parliamentary secretary whom I have found most attentive and obliging in dealing with any matters I have brought to his attention. There have been occasions when I have wondered what the parliamentary assistants—pardon me, the proper term now is parliamentary secretary—were for. There have been occasions when I have wondered why they existed. However, I find that the parliamentary secretary to the Minister of Public Works fully justifies his existence and I have heard other members express the same opinion.

At this point I am duty bound to mention the retirement of Major General Young, C.B., C.B.E., D.S.O., C.D., bachelor of science in engineering, who has rendered distinguished service to this country in two world wars and afterwards for his command of operation "Return of Troops" and the transportation of war brides. Thousands of war brides owe him a debt of gratitude for his handling of their transportation to Canada after the war under most difficult circumstances. I could tell a most interesting story about this operation but I do not have the time this evening.

General Young was responsible, with his associates, for the reorganization of the department and its improved efficiency. From then on the work that the department was required to do was done with more efficiency than the organization had had up until that time, and I am sure all members of the house wish him a lengthy and happy retirement coupled with the opportunity to serve Canada in the many organizations of which he is a distinguished member. I am glad to know that his service in peace and war has been recognized in the naming of a government survey vessel after him. I like to see that sort of thing. I like to see the services of people who have served this country well recognized in that way. If we cannot have other decorations let us name government equipment or geographical features after people. I can think of some good places to name after the Minister of Justice. There is a particular valley in our district whose features would be most appropriate.

I must extend my sincere congratulations to Colonel Lalonde on his appointment as deputy minister. I trust he will be as successful in supervising the treatment of disabilities of wharves, the clogged arteries of rivers and the repairs to the plumbing in public buildings as he was in supervising similar remedial measures in the Department of Veterans Affairs.

I wish to bring a few matters to the attention of the minister. I had intended to deal at greater length with some of these questions. I have always been interested in the department. I have seen it evolve from a very small department in British Columbia, particularly in the interior, to its present state of efficiency. I want to make a few suggestions and I should like to hear the minister's comments later.

First I should like to make a few comments on organization before I pinpoint the particular needs of Kootenay West. I thought that the royal commission on government organization made a few excellent recommendations, and I agree with them as a result of my own experience. I am going to deal with three or four of them particularly with respect to the purchase of property, the inventory required to know what property we have in Canada, and the management of property.

The first one was that consideration be given to consolidating, in a single statute, land legislation having general application to the acquisition by purchase or lease, and the disposal or leasing to others, of real property in Canada and abroad by all departments and agencies of the crown. I think that recommendation merits further consideration because I have noticed a growing need for this approach as the years go by.

The second recommendation was that the Department of Public Works be made responsible for the development of a complete inventory of properties owned or leased by the federal government and its agencies, and its maintenance as a perpetual record by posting to it all future acquisitions and disposals as they occur. I think that is an excellent suggestion so that we will know in total what our assets in public property are and what disposals have occurred throughout the year. There is some tightening up needed. I am speaking from local experiences on a very small scale but they do indicate the need for consideration of this recommendation.

The third was that the Department of Public Works, in its organization for real property management, assign staff to be responsible for land use aspects of federal property ownership and to consult and cooperate with other levels of government and their agencies for the future development of urban, rural and regional areas. There has been a big improvement in the last ten years with respect to property management in the property management division. You do not go into a public building nowadays as you might have ten or 12 years ago and find that nobody knows who is in charge. At that time you would find the janitor fighting with the postmaster as to who was in charge of the building and problems of that sort. There is a greatly improved state of affairs there.

An hon. Member: Perhaps it should be the janitor.

Mr. Herridge: Yes, that is quite correct, and rightly so. When a man is managing a building he should be in charge. But I have seen quite a contest between the district architect, the janitor and the postmaster as to who was in charge of a federal public building. These things are being cleared up.

There is a very interesting recommendation with respect to the need for decentralization and field organization. There has been a lot done in that direction but I think there could be more done. This is what the report has to say:

> The extent to which future activities of the Department of Public Works should be decentralized cannot be categorically stated at this time. While in general there are obvious advantages in transferring to the field certain operational functions and thereby improving the efficiency with which the needs of client departments and agencies in the field may be met, the extent to which the user departments themselves delegate authority to the field has a direct bearing upon what may be appropriate. Based on experience elsewhere, your commissioners believe that a fairly substantial delegation of authority to responsible offices, each with such satellites as may be required, will probably prove most satisfactory.

I mention that because throughout the years I have been informed there have been occasions when the district office or local people had to refer to Ottawa with respect to calling for tenders for piling, tenders for lumber or tenders for wharf floats or something of that sort and there has been unnecessary delay. If the people on the ground are competent they know better than anyone else which is the best purchase to make and which is the best value. There have been delays to such an extent that on one or two occasions the building of wharves was delayed until the next season because of rising water, and so on. I trust as a result of the recommendations of the commission on government organization, and the experience of the department, the minister will realize the need for a continuation of the district office in the Kootenays. There has been some suggestion that because steamer service has disappeared from the rivers, there is no necessity for a local office. I want to bring to the minister's attention the fact that we have a different type of traffic now. We have a large number of tugs towing timber. We have a great increase in pleasure craft. There is a need for a continuation of an office because of the requirement for the building and maintenance of wharves, the dredging of rivers, the placing of piles and everything that is necessary to carry on navigation successfully. I urge that

consideration be given to the retention of the office in Nelson to serve the Okanagan and Kootenay areas.

I have one other suggestion that has to do with public relations. The report says:

> The reticence of many departments in publicizing their activities through the press inhibits the development of groups of specialists for this purpose. The Department of Public Works construction programs are frequently of intense local interest across Canada, but it had no organized information service until 1954—

I believe that is about the time Mr. Winters took over and General Young became deputy minister.

> —and the unit then inaugurated has been kept to a modest size. In the Department of Defence Production, which is a comparable source of frequent but low-keyed news, press releases and other necessary information services are under the direct supervision of the deputy minister.
>
> When relations with the news services are retained in the deputy minister, it is generally good practice to designate the responsible member of his staff by name, even if the duties are too light to justify a full time appointment. This is a convenience to the press and a safeguard against uncertainties and confusion within the department. For such an appointment, some knowledge of information techniques is desirable but not imperative; of greater importance is an intimate knowledge of policies and operations.

Now, Mr. Chairman, in that connection I do urge the necessity for the improvement of the public relations of the department, not necessarily for the advantage of the department, however I believe that when interesting works are being built or interesting developments are taking place there should be an official press release from the department concerned, so that everybody knows exactly what is happening. You would be amazed how interested the people in these districts are in public works projects.

I urge the necessity for senior officials, when visiting the districts in connection with projects of importance, communicating with local organizations as well. They will get sound advice from local organizations. I found, on a number of occasions throughout the years, quite serious blunders had been made and then later, because of contact with local organizations, quite serious blunders have been avoided. I should like to give one or two illustrations of this point. I understand that the department and the district architect have been giving consideration to some alterations to the Gray building in Nelson, which is a federal public building in which the post office and other departments are housed. The sea cadets have been using the basement, and found it very useful indeed. Then, they heard that civil defence was going to take over. They were going to put in some windows, some ventilation and make some other changes. They heard other organizations were going to use this basement. Now, in order to avoid all this concern on the part of the navy league, the sea cadets, the city council and others who, like most organizations in Kootenay West, get in touch with their member to try to find out what is going on, there should have been some information given by the architect when he was visiting the district. He could have called three or four people together and said, "We are going to redesign the basement, but you need not be worried. As soon as it is done you will all be fitted in again." This procedure would have avoided a lot of concern.

Then, there is the question of sites for local post offices and other buildings. No one knows more about local conditions than the local people. I have had an illustration recently of a district architect choosing a site on a side-street in a small village. He may have had very good reasons for doing so, but there have been complaints about it. The parliamentary secretary is having the matter looked into, and he very kindly wrote to me to tell me the district architect was going to visit this small village, meet the local business people, and so on. I think it would be a good idea to do that before any final decision is made, and then the decision will be satisfactory all around.

I recall when the question of wharves came up on one occasion, and some $4,000 was being appropriated to dismantle a certain wharf. I know all these wharves and their condition. This was a sound wharf, good for another 20 years. It had good piling and good decking, and $4,000 was to be spent to destroy it. The local people in the district said they did not need it for the stern wheelers, but that about a hundred pleasure craft came up from Portland and other points north during the summer. This is the best 300-mile inland water trip in America. Some of these pleasure craft would stop at this wharf, which was going to be destroyed. The people got in touch with me and I said to the minister, why not spend that $4,000 in repairing the wharf? This was done, and so we have a sound and useful wharf which will last another 20 years.

This type of situation does not happen when the local organizations are consulted. This usually happens when someone comes from outside who does not know the people, is not used to dropping in and visiting the local storekeepers, and so on. These little courtesies make for co-operation.

In so far as dredging is concerned, if you want to know what dredging is required on the Columbia river, the Arrow lakes or the other waterways, the officials should keep in touch with the captains of the vessels that

are operating on the lakes. They know where the shoals occur, and where the levels change with high and low water. The department should seek their advice and would quite often be able to avoid unnecessary checking. However, I have very little criticism in this respect. Years ago, and up to recent years, the men who visited the area would make a trip on a tug for a hundred miles or so, just to see how the channels were. I do suggest that this type of co-operation does not cost much, but it does add to the efficiency of the department and the appreciation of the work it is doing.

There is one other question I should like to mention. In the interior of British Columbia, and I suppose the same condition exists in a good many places, the department depends on a large percentage of so-called casual employees. In a good number of cases, these casual employees have worked for the department for 20 or 25 years, especially in dredging or on the docks. They are laid off when the water starts to rise and they are re-employed when the water goes down and dredging can begin. Throughout the years there has been some extra work found for some of them in the maintenance of wharves, and so on.

I know that in one case the question of this labour was raised and they built a wharf for some $4,000 less than the estimated cost by contract. I suggest that consideration be given to keeping these very competent men employed as long as possible each year. You cannot replace them nowadays. They are used to running pile drivers, handling equipment for the building of wharves, running dredges and things of that sort. They are particularly skilled, in so far as that district is concerned, because of their knowledge of the channels in the waterways and so on. I suggest that every effort be made to continue their employment as long as possible by planning the work so that when dredging is over they can be employed on wharf construction or wharf maintenance.

I should like now to say a word or two about architecture. I am interested in all types of architecture, mobile and immobile, Mr. Chairman. I recognize the need for functional construction. The first consideration has to be functional design in the erection of a building. I suggest that the time has come when some consideration should be given to developing types of architecture appropriate to the region in which the buildings are to be erected. A building that is appropriate on the prairies is not necessarily appropriate in the mountainous areas of B.C. One of these flat California-type buildings on the prairies fits into the landscape, with its horizontal lines, but it looks completely out of place if it is backed against two very steep mountain sides. I am not going to say very much about that, but I am very interested in architecture and I think more consideration should be given to designs appropriate to the regions in which buildings are to be erected.

Some mention was made of the role of the department and that it should be, as it were, an economic buffer in our society. Road work has been an economic buffer ever since Canada was established. In the early days people used to pay their taxes with road work, and later they got cash for it. I remember in the early days of this century you would not get work on the roads if you did not belong to the Conservative association. Then when the Liberals got in, you had to belong to the Liberal association to get work. That has all disappeared now. There is no patronage in my district. I have not seen any of that sort of thing for many years. There is great scope for the department to act as an economic buffer, particularly to provide winter employment on heavy rock work and bridge construction when the work is undertaken as a result of long term planning; but I warn that it is not possible to do this planning successfully on a year to year basis.

I cannot help saying a word or two about the trans-Canada highway. I know some of my colleagues do not agree with me in this connection, and we have different views as to where the second highway should be. However, I am going to suggest that every consideration be given to the development of the southern provincial highway as the second trans-Canada highway in British Columbia, because it goes through the most populated area of British Columbia and where the greatest proportion of the wealth of the province is produced.

Now, I come to a few local things in my constituency. I am only mentioning a few because I am expecting to see the minister out there soon and we will give him a good time, like we do with everybody, who visits us, and show him around.

Mr. Grafftey: If we all did this we would be here for years and years.

Mr. Herridge: Pardon?

Mr. Grafftey: If we all did this, touched on local topics, we would go on for years.

Mr. Herridge: Mr. Chairman, surely the hon. gentleman does not deny the hon. member for Kootenay West the right to place representations before the minister that he has promised his constituents he would place before him. I just make a few suggestions. I think consideration should be given to the deeper dredging and the widening of the

channel going into the wharf at Arrowhead at the head of the Arrow lakes, and also going into the Columbia river. We had a number of pleasure craft from Portland there last year and some got stuck on the shoals. Some dredging is necessary at the mouth of the river also, and some improvement in the navigation markers and so on.

I hope the improvements to the Gray building in Nelson will soon be undertaken so that civil defence members, the sea cadets and others can carry on as usual. Some further dredging and rip-rap are required at the narrows between the upper and lower lakes on the Columbia river, and I hope the minister will give favourable consideration to providing a launching ramp at Trout lake. There are only a few permanent residents there, but it has a big summer population and its principal income is from the tourist business. Whenever it is considered necessary to replace a wharf or remove a wharf the local people should be consulted, because very often these wharves, by cutting them in half, can be converted into launching ramps suitable for small pleasure craft.

I also want to bring the minister's attention to the fact that there is a necessity for a new storm boom around the launching ramp at a place called Boswell, and once again I emphasize the necessity for consultation with local organizations and local people who know their communities' requirements and have a knowledge of local circumstances and river conditions.

In view of the threatened Columbia river development, I wish to ask the minister, has any survey been made of the wharves that would be flooded, and have estimates been made of the cost of rebuilding these facilities between Castlegar and Revelstoke? I am sure the cost would run into hundreds of thousands of dollars.

Another matter is the question of snow removal. Many wharves are on a 10 per cent grade, and if they are not sanded in winter they can be quite dangerous. There have been cases of difference of opinion as to whether a certain wharf was the responsibility of the federal government or the provincial government. I bring that to the minister's attention because it can be very serious when you have 20 or 30 cars going over an icy dock. I ask that the responsibility for snow removal be determined for every dock, before the winter season commences.

Mr. Chairman, I find a little restlessness on my right. I seldom rise in this house—

An hon. Member: The understatement of the year.

Mr. Herridge: —but now my concluding inquiry is this—

Some hon. Members: Hear, hear.

Mr. Herridge: I appreciate the applause I am getting from all sides. There have been some recent press references with respect to the restoration of lovers' lane to its former beauty and usefulness. In view of the unusual interest in Ottawa in this project, I would appreciate the minister informing the house of his department's plans in this respect. This restoration has been contemplated for many years and I have had a number of phone calls about it recently. I do hope the minister tell us what his plans are for lovers' lane.

Mr. Baldwin: Mr. Chairman, it is a pleasure to follow the hon. member for Kootenay West and because I want to save the time of the committee I simply say I ratify and confirm his preliminary remarks with regard to the minister and his staff, save with respect to such part of the statement he made having reference to the constituency of Kootenay West, because after listening to the hon. member for six years I have come to the conclusion that short of Heaven no land could be as fair, nor no people as amiable as those who inhabit the constituency of Kootenay West.

Now, I will come directly to one specific issue, and I have already advised the minister of the matter with which I intend to deal. It is the situation apropos of the construction on the Peace river, in the vicinity of Hudson Hope, of a very large hydroelectric project involving the damming of the river and the ultimate setting up of a reservoir which will extend back over the channel of the Peace and up the Rocky mountain trench for several hundred miles.

As I assess the situation by an examination of the facts and the pertinent legislation, I can only say it would appear that the province of British Columbia is proceeding with this project in complete breach and in defiance of the provisions of the Navigable Waters Protection Act, and that this government is indulging in a studied ignorance of this particular breach of the law. From time to time I have put several questions on the order paper, and up until several weeks ago the minister, in response to a question I put to him, said that no application for approval of this particular project had been received by him as the minister charged with responsibility under this particular act.

A short time after that, so that there should be no doubt about the matter, I asked the Minister of Justice whether in the opinion of the officials of his department this particular project was one which was covered by the provisions of this legislation. The minister replied to me on October 14 that the advice he had received was to the

effect that the works in question were included in the class of works to which the Navigable Waters Protection Act applies. This simply confirms the research I made, the cases I studied and my understanding of what is concerned in this particular project. I make it quite plain, Mr. Chairman, that so far as I am concerned and the people in my country, we have no objection to this project and we have always given due credit to the government of British Columbia for proceeding with it. We feel it will serve a great need now and in the future to satisfy the hunger for electricity which will, I think, be greatly intensified in the southern parts of British Columbia and in the Pacific northwest. But there is a statute, and the thousands of people who live below where the project is planned along the Peace river are entitled, if there is a law and it is a good law, to ask that it be observed by the government of British Columbia, and that the federal government make certain that there is due observance of the statute. The statute is very simple. Section 4 of the act says:

> No work shall be built or placed in, upon, over, under, through or across any navigable water unless the site and plans thereof have been approved by the minister; and the work is built, placed and maintained in accordance with the plans and the regulations.

Then the act goes on to provide that a publication shall be made in the Canada Gazette and in two newspapers circulated in the district. I ask the minister now whether since I last spoke to him or directed any questions to him there has been an application for approval filed on behalf of the province of British Columbia, even though it is long overdue and there has been this breach of the legislation in the interval. I will be glad to resume my seat in the belief that this matter will be dealt with in due course, if such an application has been received. If one has not been received, I would like to proceed with the matter. Can the minister say whether any such application has been received?

Mr. Deschatelets: No application has been received, Mr. Chairman.

Mr. Baldwin: Thank you, Mr. Chairman. I put this to the minister and to the members of this committee. This project, as I understand it, will involve the filling of this reservoir, which may take a period of 8, 10, or 12, or possibly even 14 years, depending on the run-off and the amount of water available. During that period the province of British Columbia, or the authority which is acting on behalf of the province, will have complete control—without having filed any plans, as it should have filed plans, as to what is proposed by its engineering plans with regard to this program—will be diverting water and will be interfering with the navigability of the Peace river. This river has been navigated from the time of Alexander Mackenzie, who in 1799 was the first white man to reach the Pacific coast from overland. The first trip I made on the Peace river in 1929 was on a boat which accommodated several hundred people. I have no doubt—at least I would so hope—that the engineering plans of the province of British Columbia are proper and suitable plans and will take into consideration the requirements of the people who live downstream.

I might only say here, sir, that I am informed that some time ago a departmental committee was established of different departments of this government—or it might have been of the previous government—to examine the extent to which this interference and diversion of the waters of the Peace might affect the navigation in the Mackenzie river area. The Peace flows into Slave river, thence into Great Slave lake, from which the Mackenzie emerges and flows to the Arctic. I do not know whether this committee has completed its deliberations and I do not know what results have been produced. But we have heard in the last few weeks, apart altogether from the question of navigation, the potentially serious situation which might develop in Canada as it has developed in the United States with regard to this question of the use of waters and large rivers.

I think it quite wrong, quite improper, that under these conditions the government of British Columbia has not seen fit to file its plans. There is an obvious recognition that this is a river in respect of which application should be filed, because I have here under the date January 26, 1963, an extract from the Canada Gazette which is a notice by the government of the province of British Columbia, through the minister of highways, that there has been deposited with the Minister of Public Works in Ottawa, under this cut, and filed in the office of the district registrar of the land registry district of Kamloops, a description of site and plan of a highway bridge proposed to be built across the Peace river near Hudson Hope. This, as I understand it, is a highway bridge to be used in conjunction with this project. I may be wrong in that, but that is my understanding.

Let me conclude, Mr. Chairman, by saying that I had occasion not so many years ago to be concerned in the case of a small farmer who had purchased land on the south shore of Lesser Slave lake and through whose land flowed a small stream which at certain seasons of the year was barely navigable. A fisherman who plied his trade in the Lesser Slave lake area wanted, on possibly three

or four occasions in the year, to pass through this stream into the lake. The farmer had fenced this land and he was compelled, as a result of proceedings initiated by the Department of Public Works, to take down his fence. He was later assessed damages as a result of an action brought in the exchequer court. There is no doubt in the world that this type of work falls within the four corners of this legislation.

My submission is that if this is a good law—and I am satisfied it is a good law—it should apply to the rich as well as to the poor, to the strong as well as to the weak; and it would be my hope that before next spring comes around the government of the province of British Columbia will have purged its defiance of this legislation and will have filed its plans and will, I hope, proceed properly and to the satisfaction of the people of this country with this project—but under the law, and not above the law.

Mr. Davis: Mr. Chairman, I want to say a few very brief words about this difficult matter of selecting projects. We have heard tonight about a very large number of small projects, particularly projects in Kootenay West. We have heard about one very large project in northern British Columbia. There are projects all over the country of different characters, with different advantages and different costs, and this presents a very difficult problem of selection. In the United States and in some countries overseas this problem has been tackled on a reasonably sound basis. The type of analysis which has now begun to be reported extensively in the text books is generally described as benefit-cost analysis.

By and large this approach looks ahead over many years. It puts under one heading the benefits and on the other side of the ledger the costs. The benefits are assessed by the economists, who look ahead at the various requirements. They may be a single need or they may be several needs in the case of a multi-purpose project. These are evaluated in dollar terms. These are the incomes, the revenues, the benefits of the project in question. Then on the opposite side of the ledger are the costs. The costs are assessed essentially by the engineers but they may be reduced, for example, if there is a large pocket of unemployed in the area and the expenditure, for instance, by the federal government in respect of unemployment insurance is reduced.

There are, in other words, a variety of considerations to be taken into account with respect to cost. A project is basically economic if the benefits over many years, paid for in accordance with today's values, are greater than the costs. This does not mean that a project should always go ahead. Various alternatives should be studied and the project which has the highest ratio of benefits to costs is the one which deserves the highest priority. I confidently expect that with the passage of time more projects will be evaluated in this way in different parts of the country. Adoption of this method would mean that more objective and independent decisions will be made in deciding which are the most economic projects. It would mean that those with the greatest social as well as the greatest economic advantages would go ahead first. The most persuasive member might not manage to get as many buildings or other projects in his area, but the national interest would be better served if such an objective appraisal were made.

We have in the last few years made some progress along these lines in Canada. We now have a publication entitled "A guide to benefit cost analysis" whose production was one of the results of the resources for tomorrow conference. It is available to all government departments and it is now being used, I understand, in the Department of Public Works. It is certainly being used in various government departments in the provinces and I trust that in the future it will be used even more widely. I think there will be less controversy and less politics involved in establishing priorities and that, in the long run, it would lead to greater national advantage if this were the case. I certainly suggest to the minister that it be used more extensively than it is now in the Department of Public Works.

Mr. Fisher: I wonder if the hon. member would agree—I am sure he wants to be fair about this—that the booklet to which he referred arose out of the deliberations of some of those who were brought to Ottawa at the instance of the hon. member for Qu'Appelle when he was minister and that the proposal for liaison between provincial ministers was also one of the ideas brought forward by the hon. member for Qu'Appelle. I thought the hon. member might care to comment on this in case one of his hon. friends later on might want to claim that this is a creation of the present government.

Mr. Davis: I will be glad to do so. Certainly, the resources for tomorrow conference was a product of the previous administration, perhaps one of its best accomplishments. I would say further, though, that a number of us from across the country participated, and as one of the authors of this book I advocate its extensive use throughout the country.

Mr. Crouse: It is not my wish to speak at great length and unduly delay the minister's

estimates. However, this is the first opportunity I have had to publicly congratulate him upon his elevation to the cabinet, and I know that his years of experience in the house will enable him to carry out his duties in a fair and impartial manner so as to bring credit to him and his department.

I am sure all of us were pleased to learn that it is the intention of the hon. gentleman and of this government to continue the winter works program established by the Conservative government. It is said that imitation is the sincerest form of flattery and, certainly, the recent announcement that the government intends to proceed with the program to construct adequate post offices for rural areas will meet with general approval among Canadians. This program of post office construction began as a result of a federal-provincial conference held in Ottawa on July 14 and 15, 1958—a conference attended by nine provincial labour ministers, beside representatives of management, labour and various municipalities across Canada.

The winter works program is available to every municipality wishing to take advantage of it, and since it is a truly national cooperative effort I believe it is one which might very well be carried on every winter. In fact, it is gratifying to us on this side of the house to see the present government adopting a "me too" policy in so many fields. Not only is it continuing our winter works program, but it is carrying on with our program of providing aid for home construction through the central mortgage and housing corporation, it is continuing to use the devalued dollar, it is continuing to support the building of technical training schools so as to provide new skills for those who are unemployed; it has adopted our shipbuilding program and many other projects which were initiated in 1958 and 1959 when it became evident this country needed policies which would guide its great leap forward into the age of automation. These policies and programs were initiated by the then Conservative government.

Among the programs begun in 1958 was a scheme for the building of small post offices across Canada. I well remember, when I was first elected in 1957, visiting the post offices in New Ross, Lunenburg county, and Brooklyn in Queens county, and conditions in those offices were deplorable. It was evident to me at that time that the former Liberal administration had lost touch with the people, for little or no thought had been given to providing adequate buildings for this necessary public service. We realized of course, that something had to be done, and we initiated a crash program which saw 70 new post offices started across Canada in 1959. Not only did these offices lead to the provision of better facilities, but work on their construction contributed to easing the unemployment problem which plagued our government—a problem which still faces us today. We have at the present time well over a quarter of a million people unemployed in Canada and the government has yet to give us any indication of its plans to create full employment.

The recent announcement in Queens-Lunenburg that seven new post offices would be built is, of course, helpful. I am pleased to note that my request to the minister that every consideration be given to the needs of my constituents has fallen on such fruitful ground, as far as post offices are concerned. The minister is, of course, free to make these announcements in any manner that pleases him but I would have thought, in view of the friendly relations which exist between us, that he would have released this information through the elected member of parliament rather than through a spokesman for the Liberal party. In any event, the beneficiaries of this extended Conservative program are the people of Queens county and Lunenburg county, and I can assure the minister that regardless of the manner in which these announcements are made any project which will be of benefit to my constituents would be most welcome.

There are a number of questions which come to my mind. I am wondering whether these post offices will be built under the terms of the winter works incentive program, whether they will be constructed in the usual way and provided for in the estimates, or whether the spokesman on this occasion had some advance knowledge concerning next years estimates. This is a question I should like the minister to answer if he has time.

I should like to suggest that, when considering the erection of new public buildings, the minister should give some thought to the needs of the people in Bridgewater, Nova Scotia. At the present time the various agencies of the government are located in different buildings throughout the town. This creates difficulties for the citizens who must use these various services, as well as for the employed personnel. In Lunenburg, for example, we have a new public building and in this building provision has been made for officials of the fisheries department as well as for officers of the customs branch, officials of the unemployment insurance commission and the post office. This is a very desirable situation from the point of view of the public in that certain economies are effected with a consolidation of various services. This is the type of federal building required in Bridgewater. Here we have a town that is growing

rapidly, it is the shopping centre of Lunenburg county serving a large agricultural area. The present facilities are overcrowded and inadequate, and I would urge upon the minister the need for carrying out a survey with the hope that a larger federal building, capable of housing all the government offices in Bridgewater, will be built in the near future.

I am also concerned with the minister's plans for a bridge over the canal at Chester, in Lunenburg county. We have in Nova Scotia only two canals. One of these is located at St. Peters in Cape Breton; the other is located in my riding at Chester. During the past summer the walls of this canal collapsed. Although it is still possible for small craft to proceed through the canal, it is evident that something of a permanent nature must be done to repair the damage that has been caused. The last plans I heard of from the department were to the effect that they would fill in the canal and at some future date would then dredge out this filling and build an adequate bridge to carry the traffic which must proceed from the town of Chester to the peninsula. However, to date no action has been taken in this matter. A temporary bridge has been built across the canal, but I am informed that this is inadequate to carry heavy trucks and that the people living on the peninsula are very much concerned in the event that a fire should occur; for there is the possibility that the existing temporary bridge could not carry a fire engine. Therefore I would ask the minister to give careful consideration to doing something about providing a suitable bridge over the damaged canal at Chester.

I could mention many other matters, Mr. Chairman, but I see that time is running out. However, one item I should like to bring to the minister's attention is the need for a further harbour development in Liverpool, in Queens county. This home of privateers in by-gone days is today showing new resurgence and growth. Formerly the wharves and docking facilities were adequate for the fishermen, but the shipbuilding program of the Conservative government has changed all this. Today the fishermen are building larger draggers and trawlers. In fact, the firm of Steel and Engine Products Limited at Liverpool recently completed the first steel stern trawler to be built in Nova Scotia. This new development has created two problems. The present harbour is not deep enough in certain areas to accommodate the growing fleet; and the present wharf at Liverpool should be lengthened by at least 300 feet to provide additional docking space for the new and growing fleet of fishing trawlers. I hope the minister will give immediate consideration to this problem so that the development of this primary industry in Queens county will in no way be curtailed.

[*Translation*]

Mr. Frenette: Mr. Chairman, consideration of the estimates of the various departments always results in interesting debates, and today's discussion has been all the more interesting because, in my opinion, it deals with a department whose action is felt immediately by the whole economy, stimulating as it does the activities in several fields.

The presentation of the estimates of the Minister of Public Works goes back to last October 18. At that time, he made a short statement, too short in my opinion, about his plans. There again, the word may not be right because in fact they are plans drawn up by the previous government and to which he made only minor changes. However, we were happy to read in *Hansard* that he expected his estimates to show a substantial increase next year.

We heard him say those same things a while ago. Of course that does not give much to all those who put their faith in the candidates of the present government during the last elections, hoping that they would look after problems immediately.

When he presented his estimates last October 18, he said he hoped to direct his department for at least 20 years. I am very happy to see that he has such good intentions. If through his work, his persistence, initiative and success, he reaches his objectives, the Canadian people will benefit from that desire because if he wants to remain in office that long he will have to show himself worthy of it through the efficiency of the means used to further his department's business.

I read with great interest the debate of October 18. There were very interesting discussions during which good suggestions were made by members of the opposition. Allegations and even charges were made against a certain type of patronage reportedly being practised at the present time in the Department of Public Works. But these charges were denied by the minister, and I was very pleased to hear that. A document dating back to 1954 was even tabled at that time. If nothing more recent can be found, I feel that the problem is not as serious as suggested, and surely the minister cannot be blamed for the situation prevailing at that time.

Besides, I have no intention of defending the minister at all. I am well aware that he can defend for himself, but I cannot resist the temptation to quote these words from the holy scriptures:

Let he who is without sin cast the first stone at him.

If these words were applied, I am sure that the accusations would come only from one corner of the house.

In any event, we know that there is a great danger of patronage in the Department of Public Works, where opportunities are perhaps more numerous than anywhere else. We take the liberty of urging the minister to use every means at his disposal to preserve us against that distressing evil.

We agree that defeated candidates of political parties deserve some recognition from the group they represented, but such party recognition should not be shown at the expense of the Canadian people or opposition members, because those members do represent the majority of voters in their ridings.

The Department of Public Works is extending its activities in many fields and on that basis, it is of vital importance in the economic life of the country. In my opinion, a budget of less than $200 million is much too small to enable the department to play its rightful part.

Everybody will agree that the money available is far from sufficient to enable the department to meet even the most urgent requirements.

As a matter of fact, a very simple calculation indicates that the budget of public works is only 2.8 per cent of the total budget. Such a percentage is definitely inadequate, considering all the responsibilities of that department.

In my opinion, that department could act as a stabilizer in the country's economy by maintaining in various parts of the country permanent work sites or development works of all kinds, capable of absorbing a certain proportion of the labour force unemployed at present or likely to become unemployed.

The minister also referred a while ago to this pet project of his and I hope that he will obtain the necessary co-operation from the cabinet to carry out this plan.

The needs of Canada are great. In a vast and young country such as ours, everything must be done, and considering the direction which seems to be taken by the present government, it is quite logical, in my opinion, that it should undertake and carry out an extensive program of public works which would provide work for the great number of unemployed.

As for us in the province of Quebec, this evil is still more acute than elsewhere. And surely there is no lack of needs.

The St. Lawrence river crossing the entire province is our pride and at the same time a vehicle for materials which we greatly appreciate. On the other hand, many dredging, cleaning, digging and development works are essential to maintain the seaway which is increasingly used. Traffic being heavier, it should be improved to speed it up.

I think I need not remind members of the committee and the minister of the accidents which occurred lately on the St. Lawrence to underline the urgency of certain work on this important seaway.

More and more, the shores of the St. Lawrence river are being lined with summer cottages and permanent homes, which means that retaining walls have to be erected as protection measures against tides, ice or damage due to navigation.

Incidentally, Mr. Chairman, I should like to point out to the minister that the building of retaining walls to check erosion of certain pieces of land, is an urgent matter, for heavy damage is caused to this land every year due to ice, tides or navigation.

Mr. Chairman, I represent a riding which is particularly affected by that problem. I get numerous requests concerning the building of those walls. Each time, we have to engage in discussions—not to say in a battle—with the engineers of the department in order to determine who is responsible for the damage done and ask the minister to intervene personally to speed up the investigations, etc., etc.

Far be it from me, however, to accuse the officers of the department of being incompetent or of working against the interests of the taxpayers. On the contrary, those to whom I addressed myself have always proved themselves to be quite competent and have shown a lot of good will. But those people, as I can well understand, work under particularly difficult circumstances and conditions and, not having the credit required to carry out the work, they are faced with the famous dilemma: either to recommend that the work be postponed or simply to refuse the job completely.

Mr. Chairman, there is no doubt about it, Portneuf is a beautiful riding that I am proud to represent. The area is greatly appreciated by tourists, who always like to go back there.

I do not want to insist, but I feel duty bound to ask at this time for special projects precisely to help my constituency to keep this high reputation. Numerous projects have already been carried out, others are being completed, and I wish to thank the people responsible for that. However, there are still many gaps to fill. I call the minister's attention on that situation.

The Department of Public Works is also responsible for the construction of public buildings. If each member of the committee

were asked to state the needs of his riding, I am sure everyone would have something to say and we would be sitting here for quite a while. That goes to show that the needs are both urgent and numerous.

If buildings were erected to meet the present needs and, naturally, if the necessary funds were available, it would be possible to provide work for thousands of men in the building trades and thousands more in the building materials industry. That would somewhat palliate the disastrous effect of the famous 4, 8 or 11 per cent tax, call it whatever you want.

Mr. Chairman, the people who belong to the building trades are particularly dear to me. It may be because I am one of them. I should add though that a major part of my riding's economy depends on the building materials industry.

Wood as such or transformed into wall panels or plywood provides the livelihood of thousands of people. Hundreds of others work in my constituency's stone or granite quarries which are, in fact, the most important in Canada. Many others are directly interested in the building trades, to say nothing of the people who produce or prepare cement, this all-important building material.

All those people I have the honour to represent, regardless of party affiliation, insist that I submit their requests to the house.

Those people like their work; they have their own homes and lead an active social life. They wish to stay in their respective parishes, near their relatives and friends.

Of those thousands of workers, each and every one has felt at various degrees, the harmful effect of the tax on building materials.

At present, hundreds of unemployed live in anxiety and fear for the future. Many of them did not even succeed in accumulating enough unemployment insurance stamps during the summer and must now be content with small unemployment assistance benefits.

For all those reasons and many others and because I represent a group of workers, I would ask the Minister of Public Works to see to it that his department launch immediately a vast program of public works which would constitute a market for the building materials produced by some of my constituents and also a labour market for the workers who are available and who are willing to work.

The responsibility for the success of the Canadian world exhibition rests for the most part with the Minister of Public Works. We believe that the forecasts for this event are of primary importance to the Canadian people and give us a particularly well chosen opportunity to apply a vast program of work which could efficiently lessen the problems of the unemployed, provided, however, that the money so employed is not wasted, as is the case now.

Of course, we believe that the choice of the Montreal area is a happy one, and we commend that initiative on the part of the authorities who made the decision. But we must nevertheless express surprise at the fact that an island has to be built on the river to have an appropriate site for this exhibition. It appeared to us laymen that it would have been easy to locate this exhibition on the shore, without having to build an artificial island.

During consideration of the estimates of the Department of National Defence, a few days ago, numerous protests have been made following the announcement of reductions in that department. And the same word always comes back: unemployment. We do not dispute the fact that $74 million have been saved, but we are concerned, and justly so, about the repercussions such a saving may have on the unemployment situation.

Mr. Chairman, millions of dollars have been distributed among Canadian citizens, each year, in unemployment assistance and social assistance of all kinds. We certainly recognize that those sums of money made it possible for some families to live, but we believe that this money fills only half its purpose and that if the federal government, together with the provinces and the municipalities, were making this capital work by investing it in public projects, we would decrease the number of the needy in two ways, first by giving work to a large number of them, and second, by maintaining the operation of the industries which manufacture the products needed for the implementation of such work.

If we succeed, during and because of a war, to set up powerful enterprises, I believe more firmly still that the establishing of peacetime industries is not only feasible, but indeed desirable and advisable.

Mr. Chairman, one of my former teachers, Commander Beauge, launched, many years ago, a bold project which, at the time, seemed utopian and impracticable, but which could now be easily carried out owing to the scientific and engineering strides of our era. Everybody guessed it and I think the hon. member for Saguenay (Mr. Blouin) even mentioned it in the house during the last session. I am referring to the project of the construction of a dam between Newfoundland and Labrador which would completely change nearly half the country's economy because of its effects on the climate.

Such a project might make you smile at first sight, but I am sure that if the minister could afford it, he would be very happy to carry it out because I think that is a project worthy of him.

Mr. Chairman, may I be permitted at this time to point out to the house a notice of motion which was introduced by the hon. member for Quebec-Montmorency (Mr. Marcoux) and which particularly concerns the activity of the public works department. With your permission, Mr. Chairman, I shall read that notice of motion in order to draw the minister's attention to the problems involved.

That, in the opinion of this house, the government should consider the advisability of taking steps to provide a plan whereby, in cases where over $50,000 is to be spent on constructing or renovating buildings belonging to the government, under the administration and management of the Department of Public Works or any other department at home or abroad, 1 per cent of the amount should be allocated for artistic work such as murals, sculptures, ornamental walls, flooring, mosaic work, frescoes, tapestries, paintings, fountains, lighting fixtures and other similar work, and that all such work be conceived and executed by Canadian artists; and, to provide further that such artists should work in co-operation with the architects in charge of the construction in order to bring about the closest possible integration; and further, that a competent and independent board be set up by the Canada Council to allocate the contracts fairly among the artists, and to ensure that all aspects of any such program are observed and implemented.

Mr. Chairman, I think that suggestion should be taken into consideration and to me, it looks like very proper action which would benefit our Canadian artists and would be an incentive for them to develop the renown of our country in the arts.

Mr. Chairman, during my remarks, I suggested several important projects. I realize the minister could not carry them out at the present time because of the limitations he must take into consideration in performing his duties, which necessarily involve a lack of credit.

Of course, to carry out these projects, considerable amount of money will be necessary. But if we consider the saturation point reached by the taxation burden, we realize that we shall have to seek the necessary credits elsewhere.

Our solution, on this side of the house, obviously appears too simple to some, while others find it too complicated; but I feel that the economists of the party in power should suggest a gradual adoption of these economic measures advocated by us, that is to say the creation of new, interest-free credit, as our economy is able to absorb it.

I am not astonished to see that some of our hon. friends opposite are smiling; but if they want me to lose what I call my illusions, let them find some other solution.

[Mr. Frenette.]

Actually, I do not believe in the spontaneous generating of limitless amounts of credit, but I stick to the idea that the infusion of new capital, through the Bank of Canada, into well ordered channels, is the only solution available to us. All other possible means have been tried, and they brought about the present situation. That is why I suggest that we adapt our financial system to our most urgent needs. Let us be up to date.

If this were done, I feel that the minister could fulfil his task adequately and, by so doing, have the wish expressed on the memorable evening of October 18, 1963, when he said he would like to remain at the head of his department for the next 20 years.

[*Text*]

Mr. Nesbitt: I very much regret having to bring up the subject I wish to bring up at all, and I particularly regret having to bring it up at this time towards the end of the session. However, I have tried every other method, and I have really no choice but to raise the matter before the committee. This case involves a rather elderly lady who suffered, I think, a great injustice at the hands of some of the officials of the Department of Public Works. This is an example of what I would describe as a disgraceful form of bureaucracy, and I wish to bring it to the attention of the minister, his parliamentary secretary and the members of the committee. I might add, Mr. Chairman, that I have already brought this matter to the attention of the minister and his parliamentary secretary but I should like to do so again.

I have a number of letters here and I had intended to read them into the record. However, in order to save time I shall paraphrase it. This case concerns a Mrs. Olive Showler of the city of Woodstock, Ontario who, on February 15 last, when entering a federal building in the city of Woodstock, slipped and fell on the icy steps causing some damage to her knee. Apparently that evening the caretaker—and this reminds me of the remarks of the hon. member for Kootenay West as to the difficulty in ascertaining who is in charge of these buildings—came around to see the good lady and take note of her injury. He instructed her to do certain things. In a letter directed to me dated May 1 last, Mrs. Showler wrote as follows:

The accident was reported to the post office February 15 and Mr. McCutcheon—

Presumably the caretaker.

—was speaking to my niece over the phone that evening.

On Saturday February 16, Mr. McCutcheon came down to the house to see me between one and two o'clock p.m. He admitted there had been

salt put on the steps that morning, but it does not melt the ice as quickly on the north side of the street.

Mr. McCutcheon called again at the house February 19 and asked me to write three letters explaining how the accident happened for him to forward to the complaint department which I did and he picked them up the same evening.

Then, she goes on to mention another matter concerning her out-of-pocket expenses which amounted to $20.50. This is all the good lady is asking. There was some correspondence between me and the minister and his parliamentary secretary.

I only wish to read one letter which was sent to me from the minister on June 21, 1963. I realize the minister did not write it himself. It was drawn up by some of his officials and it is a masterpiece of what I call red tape and eyewash. It reads:

Dear Mr. Nesbitt:

This refers to our recent exchange of correspondence about Mrs. Showler's unfortunate accident on the steps of the Woodstock federal building.

As the director of our property and building management branch pointed out to Mrs. Showler, her claim cannot be considered because it was not submitted within seven days of the date of the accident, as required by the Crown Liability Act. Other requirements of the act must also be met. Such notice must be served upon a responsible official of this department and a copy of the notice must be sent by registered mail to the deputy attorney general. This does not appear to have been done in this case.

Notwithstanding the disqualification of her claim because of the time factor and the lack of official notice, there is no evidence of negligence on the part of the crown. The steps were cleared of ice and snow, and salted at 3.15 p.m. Mrs. Showler reported that she fell at 3.45 p.m. At that time, the steps were reported to be clear, but wet.

Bear this in mind.

A medical certificate dated February 19, 1963, on our file, reports that Mrs. Showler did not suffer any serious injury as a result of her fall.

Mrs. Showler's claim that Mr. McCutcheon told her the steps were, in fact, icy has been investigated. It does not appear, after verification of this point with Mr. McCutcheon, caretaker of the building, that such a statement was ever made to Mrs. Showler.

I'll bet it wasn't, after the verification was made.

Also, Mr. McCutcheon's suggestion to Mrs. Showler that she submit a claim should not be interpreted as an admission of negligence. It is simply a courtesy extended to persons in such cases in the interests of justice and fair play.

In these circumstances, it appears that the department exercised all reasonable care and precaution, that the accident was not due to any negligence on the part of a servant of the crown, and that therefore, there is no legal liability on the part of the crown.

Mr. Gregoire: May I ask the hon. gentleman a question. When did this occur?

Mr. Nesbitt: It occurred last February 15 and the correspondence went on last June and July.

Mr. Gregoire: Then the Conservatives were in office at that time. Why didn't they settle the problem?

Mr. Nesbitt: If it is of any interest to the hon. member the point was not brought to the attention of the department then. The first correspondence was on May 7, 1963, if that satisfies my hon. friend, who seems interested in disturbing the lady's claim.

This is one of the most offensive cases I have seen in the ten years or so I have been a member of parliament. I realize the minister must have many complaints and cannot personally look into them all, but this is a particularly unfortunate case. The lady is still suffering. She is still using a crutch. She is not seeking any permanent damages from the department and only asks that she receive out-of-pocket expenses of $20.50 for an X-ray.

Someone may ask, why is all this time being wasted in bringing up the claim of an elderly lady in Woodstock for $20? But, as has been said, this is a court of last resort. I fully agree with the hon. member for Port Arthur that if an ombudsman were functioning it would not be necessary for members of parliament to bring up such things, but until such an institution is brought into effect the ordinary citizen has absolutely no recourse against some of the procedures followed in some government departments, except to have their member of parliament bring the matter up in this house.

It is my contention that this lady has been very unfairly treated. I have talked to her on several occasions and I have no doubt at all her story is absolutely true. I think the correspondence I have read into the record will verify that, and I hope the minister will give this matter further consideration.

[*Translation*]

Mr. Balcer: Mr. Chairman, I want to talk tonight about Three Rivers and its famous bridge. The Minister of Public Works (Mr. Deschatelets) must be just as interested as I am to see carried out that gigantic project which has been firing the imagination of the people of Three Rivers for more than 60 years. I appeal to the Minister of Public Works so that he will use his influence—and he is very influential, I think—with the government in order to settle, once and for all, that utterly ridiculous situation which is highly detrimental to the whole of central Quebec.

It must be remembered that it is a bridge which would connect the two shores of the St. Lawrence; it would be the only one between Montreal and Quebec city, which are 180 miles apart, to serve a population of about 250,000 people.

When I was minister of transport, I had the opportunity to study this question thoroughly with the engineers of my department and

those of the Department of Public Works. We discussed it with the directors of the corporation, which is an independent corporation, created by the Quebec government, in which there are representatives of all parties, but mostly of the Liberal party.

So, I had the opportunity to study this question thoroughly and even organize meetings with the corporation of the Three Rivers bridge and the engineers of the provincial government. We considered all suggestions and there was never any mention of an expenditure of $60 million, nor of $30 million, not even of $10 million; mention was always made of an expenditure of $5 to $7 million. The engineers of the Department of Public Works had reached the conclusion that the federal government would be likely to pay an amount of $5 to $7 million in order to protect navigation on the St. Lawrence.

Mr. Chairman, I am told it is ten thirty. I would like to know whether it is the intention of the house to sit a little longer tonight.

[*Text*]

The Chairman: Is that agreed?

Mr. Nowlan: Yes, Mr. Chairman.

[*Translation*]

Mr. Balcer: Mr. Chairman, when we opened the negotiations with the representatives of the provincial government and those of the corporation of the Three Rivers bridge, the latter proposed that a bridge be built on a site which had been approved by the former minister of transport, Mr. Marler. There is no doubt that the construction of a bridge at that place could have interfered with navigation on the St. Lawrence and could have impeded the flow of ice on the river. Consequently, as minister of transport, I got in touch with the head of the corporation and the provincial authorities and I asked them to consider other alternatives.

That is how it was later proposed to build the bridge between the municipality of St. Angele, opposite Three Rivers, and St. Quentin island. If the project had been carried out at that place, it would not have cost a cent to the federal government; however, it would have involved an expenditure of $10 to $12 million for the provincial government and the city of Three Rivers. The bridge would have been built right between the town of Cap de la Madeleine and Three Rivers. It would have had to pass under the Duplessis bridge and would have necessitated the construction of another one on the east side of the St. Maurice and a third one over that river. There is no doubt that the project would have cost at least $10 to $12 million to the provincial government. Now, as the provincial government had given a statutory guarantee for the expenses of the corporation and since the cost of the bridge could reach something like $35 million, the province indicated to us that it could go no further.

That is why I feel that the federal government would be justified to provide $5 to $7 million for the construction of a bridge for the benefit not only of the local residents, but of all the people in the province of Quebec. That expenditure would help the economic and industrial development not only of the centre of the province of Quebec, but of the whole of Canada.

Work has started. The bridge corporation has hired engineers who, for the last 12 months or so, have been busy with their engineering work; the corporation expropriated the necessary land, and last week, it obtained from the provincial government a first loan of $1,180,000. The corporation officials have announced that tenders for the first stages of the work would be called in the very first days of January 1964.

Mr. Chairman, one can well imagine the feelings of the population of Three Rivers when they heard the new Minister of Transport state, that according to his experts, the order in council signed on March 4 of last year was not legal, or at least, that its legality was open to question. This is absolutely ridiculous, for everyone knows that once signed by the governor general, an order in council cannot be cancelled, as it is absolutely legal. If the government thinks that Three Rivers is not entitled to a bridge, let it take its responsibilities; let it issue a new order in council and deprive the population of that region of this very necessary bridge.

The Minister of Transport does not want to take his responsibilities; for more than a month and a half, we have been urging him to tell us whether the government intends to cancel everything which was done under the former government to carry out that ambitious program. The minister beats about the bush, gives vague answers and refuses to tell us what stand the federal government intends to take. It is quite clear that he creates all sorts of obstacles to stop the building of a bridge which is absolutely necessary to the development of that part of Canada.

Mr. Chairman, I ask the Minister of Public Works, who is responsible for this, to have works carried out in the St. Lawrence river to protect the bridge against the ice, to control floods and help navigation. I ask him to take his responsibilities too, to co-operate with the bridge corporation and the provincial government, so that this ridiculous situation may be settled once and for all.

Mr. Chairman, today, in a reply to a question put by the hon. member for Port Arthur (Mr. Fisher), the Minister of Transport said that surveys had been made on the St. Lawrence river since last March.

This afternoon, I asked the Minister of Public Works whether surveys had been made in his department concerning the construction of dikes on lake St. Pierre. He answered no. Maybe my question was not clear enough—

Mr. Deschatelets: No survey was made by the Department of Public Works. That is what I meant.

Mr. Balcer: I would ask the Minister of Public Works to take his responsibilities once and for all and to help the Minister of Transport to extricate himself from all those difficulties which are his own doing.

Mr. Chairman, I thank the house for having been so kind as to let me have the floor so long.

Mr. Beaule: Mr. Chairman, I shall be very brief. I simply wish to ask some information of the Minister of Public Works, concerning the St. Charles river project, in Quebec.

I know a delegation from Quebec met the minister in that respect, about a month ago. I should like to ask the minister what are the immediate projects concerning that river and the agreements reached or the arrangements made with the authorities of the city of Quebec, concerning the development of the St. Charles river, in Quebec.

[*Text*]

Mr. Forbes: Mr. Chairman, since this item deals with the appropriation for dredging I would like to make a very brief reference to a condition which exists in my constituency. It is with respect to the water level of lake Winnipegosis. I would like to refer to the amount of money the government is spending each year on dredging this lake. I am advised by the department that they have spent approximately $47,000 a year during the last seven years, which gives a total amount in excess of $310,000.

I would suggest to the minister that he could save his department a considerable sum of money over the next few years by the construction of a dam on the West Waterhen river to maintain the water level of the lake. At the present time it is just impossible for the dredge crew to clear channels fast enough to serve the industries on the lake. With your permission, Mr. Chairman, I would like to place on the record a letter I have received from the Winnipegosis chamber of commerce outlining the drastic situation which has developed:

> The Winnipegosis chamber of commerce wishes to place before you the drastic situation the village of Winnipegosis and the surrounding areas are confronted with due to the low level of lake Winnipegosis. The residents of Winnipegosis are dependent on income coming from four sources, namely, lumber, fish, cattle and tourist. All four are in one way or another dependant on the water level of lake Winnipegosis.
>
> In the past years an income of approximately $150,000 was obtained from lumbering alone. All the lumber was transported on the lake to the town of Winnipegosis. Due to a terrific drop in water level this will soon be an impossibility. Second, the value of fish caught in lake Winnipegosis reached $956,023 in 1961. This catch is going down and to our understanding this industry will soon discontinue, mainly caused by low water level. Cattle ranchers from Salt Point are dependant on the lake for transportation of their beef to Winnipegosis. They hope that some dredging would soon be done in order to be able to load and ship their cattle. When the water had been higher, dredging was not necessary. In other places cattle cannot reach the waterline due to long stretches of muck into which they sink while trying to get a drink. In the winter, because of low level, the water freezes to the bottom, and once again ranchers are faced with a problem. To overcome this, we know of ranchers paying high prices to welldiggers but cannot reach water on land.
>
> Let us now turn to the tourist trade. Angling on lake Winnipegosis will soon be a thing of the past. Many fishing and hunting lodges are not accessible any more by boats. When you come to the lakeshore, all you can see are stretches of muck with some ducks beyond that. This will soon affect the duck population about which we are concerned, especially the redheads which make lake Winnipegosis their best breeding grounds...
>
> We must state once again that we are faced with a critical situation which, to our understanding and belief, can be corrected by a dam on the West Waterhen river.
>
> Hoping that you will give our plea your utmost consideration and give us some assurance that our problem will soon be corrected.

Since Dauphin is the only place in Manitoba declared a designated area, the construction of the dam would give employment to a great number of people this winter. To indicate the responsibility of the federal government in the matter, the Minister of Labour has interpreted a "designated area" as follows, and I will just quote in part from an answer he gave to a question by the hon. member for Churchill:

> This area will also qualify in connection with the supplementary federal government winter construction program, which applies to designated development areas and designated areas of high winter unemployment.

If the government are serious with regard to creating employment in a designated area, then I suggest that the construction of such a dam on the Waterhen river this winter, besides giving employment to a great number of people living in the area would help to maintain, as pointed out in the letter, the fishing industry, the lumbering industry, the cattle industry and it would help to conserve our wildlife, as well as the important tourist industry.

In conclusion, Mr. Chairman, I would ask the minister to give this matter his most serious consideration with a view to getting the project under way in the very near future.

[*Translation*]

Mr. Latulippe: Mr. Chairman, my first words are to express my admiration for the Minister of Public Works. I thank him for all he has done and for the courtesy—

Mr. Pigeon: If the hon. member has so much admiration for the minister, it would be preferable to vote his credits.

Mr. Caouette: On a point of order, Mr. Chairman. I object to what the hon. member for Joliette-L'Assomption-Montcalm has just said. If ever a member has wasted the time of the house, it is the member for Joliette-L'Assomption-Montcalm.

Mr. Latulippe: Mr. Chairman, I have a few comments I feel I should make concerning the estimates of the Department of Public Works.

Taking a look at the estimates of this department for the year 1962-63, we find that they have been cut from $191 million to $178 million. Everyone knows how urgent it is that work be carried out to deal with unemployment. The minister, despite his good intentions, remains incapable of solving this problem with the small amount of money made available to him. He can only tell us that he has not got a penny left and it is impossible for him to consider any new requests until next year.

On the other hand, I find that national defence takes up 25.6 per cent of our national budget; the Department of National Health and Welfare, 19.1 per cent; debt charges, 13.5 per cent, that we have to pay in interests; payments to the provinces, 3.3 per cent —I approve of this expenditure and I know it will increase—veterans' affairs, 5.3 per cent; transport, 4 per cent; public works, only 2.8 per cent.

If there is one department whose estimates should be increased, it is the public works department, which must undertake huge works where they are needed. Instead of investing money in public works, the government prefers to leave families in such abject poverty that 19.1 per cent of the national budget has to be affected to the Department of National Health and Welfare.

We are not against giving help to families in need but we all admit that if a greater number of public works were undertaken, there would not be so many of them. In my riding, many farmers get help from the welfare department. They are no longer able to earn a living from their farms. There are also a great number of workers, in the cities, who live on social welfare. They look for jobs but they cannot find any because no public works are undertaken.

In my opinion, this government should direct its activities towards public works, particularly if it wants to alleviate the unemployment situation.

I admit that will only partially meet our problems. A great many citizens are only too anxious to have work.

In the riding of Megantic, where I live, we have a splendid city planning project which is admired by many people from abroad, especially Americans who visit us. We could welcome a great number of tourists. It would be and important incentive to our town and to all our county to find in the tourist industry an important livelihood for our families. Besides, one knows that where the government spends $3, it brings in more than six.

Mr. Chairman, we have great projects to carry out. In this connection, by improving waterways, lakes, etc., as needed, we could give plenty to work to many people.

However, there is not only the water areas that might be improved. It is true that there is a magnificent lake in my own city, and such lakes are not to be found in every town.

Finally throughout my constituency, people wonder what the federal government is doing about public works. They wonder whether the government invests money only along lakes and waterways. In several parishes of my riding, people cannot take advantage of public works. All kinds of suggestions are being made to us with a request to submit them to the government in order to help the citizens of my riding.

One can find in my constituency many abandoned farms where there is almost nothing left. The farms have been deserted. We are being asked to proceed to the reafforestation of those lands and, to do so, we are being asked to see the Minister of Public Works who, by extending the winter works period until May, for example, or until June, could rehabilitate those fertile and abandoned pieces of land. In view of the fact that many farmers having private properties are unable to do such a thing, the Department of Public Works could employ unemployed people in my constituency in order to undertake the reafforestation of those lands. Besides, according to federal and provincial engineers, reafforestation would be an ideal solution for the rehabilitation of those lands.

We are also asked to request the Minister of Public Works to build dams on the many lakes of that area.

I would also like to point out to the minister the damages owing to drought prevalent in

my constituency in summertime. There should be an irrigation system and dams should be erected on lakes so as to regulate spring water and provide water all year round.

Moreover, in co-operation with the provincial government, we are asked to urge the Department of Public Works to build fish hatcheries to breed fish for restocking lakes. These lakes have been fished out, and tourists are no longer interested to visit them. It would therefore be necessary to launch all kinds of public works.

Thus, the winter works program could be used to improve level crossings which are quite numerous in my riding, especially in the populated areas. That is where improvements are necessary. However, nothing can be done because no funds are available. Yet, if there was money, it would be possible to provide work for the unemployed and improve those level crossings.

Numerous other means have been suggested to us, but I could not list them all tonight because that would take too much time. As I do not wish to delay the committee, I shall not insist on that point.

I would therefore ask the Department of Public Works to give serious consideration to those cases and to provide more funds to correct such anomalies.

In considering the estimates of the Department of Public Works, I find that the government allocates it only $178 million, when it should receive at least $400 million. The national defence estimates should be reduced by several million dollars to use them in the Department of Public Works. If that were done, the government would be in a better position to really do something for the country and the welfare of its citizens, not to mention that this will also develop Canada further.

[*Text*]

The Chairman: Shall item 1 carry?

Some hon. Members: Carried.

Mr. Aiken: Mr. Chairman, I have the intention of making a few remarks before eleven o'clock, and I do not intend to be talked down by anyone.

Mr. Knowles: Mr. Chairman, I rise on a point of order, as I think I am entitled to in view of the fact that it is after ten thirty. We are sitting here by consent, not noticing the clock. We had certain indications as to how many speakers there were but they keep on popping up. Personally I should like to know how many more speakers there will be on item 1.

Mr. Nowlan: Mr. Chairman, the hon. member for Oxford said this evening that this was a supreme court of parliament; that every one of us has a right to speak on matters affecting his constituency. That being the case I presume that we should all rise and address ourselves to these problems. If we were to limit ourselves to ten minutes each, then forgetting the treasury benches that would mean there are about 220 members, which involves about 2,200 minutes, which is three and a half sitting days. I suggest that we sit here right through until tomorrow morning, and then possibly by Christmas we will complete the department with which we are dealing now.

Mr. Knowles: I do not agree with that at all.

Mr. Aiken: Mr. Chairman, I thought we had agreed to sit until eleven o'clock.

Mr. Nowlan: No, ten thirty.

Mr. Pickersgill: I hope the hon. gentleman will be allowed to speak, because it seems to me that no one else wishes to, and then perhaps we could dispose of the whole department afterwards. Perhaps I might also draw to the attention of the committee the fact that I have looked over the list. There are 11 departments left in which not one item has yet been passed. There are a very considerable number of others in which the majority of the items have not been passed. I am not seeking to put any kind of pressure on the committee, but it seems to me that when practically the whole legislative program is over, with a little temperance it would be possible to deal with the estimates. I do not think there has been a session of parliament in which more time has been spent on the estimates than has been spent this year.

[*Translation*]

Mr. Caouette: Mr. Chairman, there were a few more members in this corner of the house who wished to participate in the debate, but we agreed to the proposal which the Secretary of State (Mr. Pickersgill) made a while ago when he asked for our co-operation.

No other member of our group will speak tonight and we are willing to co-operate, because we wish to celebrate Christmas like everybody else.

Consequently, we would ask members of all parties to respect the agreement and to allow passage of the estimates.

[*Text*]

Mr. Knowles: I am not trying to stop the hon. member for Parry Sound-Muskoka from speaking; I am trying to stop the ones after him.

Mr. Aiken: Mr. Chairman, I intend to speak, and had I been given the opportunity to say what I inended to I would have been finished

by now. I have quite a number of remarks to make in connection with public works, but in view of our efforts to get the work finished I am not going to make them extensively. I just want to draw some matters to the attention of the committee, and this is the reason I am speaking tonight.

I had it very seriously in mind earlier to make my speech and hold the government up, because of two very unpleasant things which happened today, both of them in connection with private members' bills. The first was a very fast trick played by the chairman of the banking and commerce committee in connection with a private bill which was passed on division this morning. The second is the fact—

The Chairman: Order. I am wondering whether the hon. member does not think that he is using language which is perhaps a little strong when he refers to a fast trick put over the committee of the house by the chairman of a committee.

Mr. Knowles: It would be irrelevant too.

An hon. Member: And out of order.

Mr. Aiken: Also, when this bill was passed at five o'clock there was only one private member's bill left, and the Liberal members talked it out, which I think is unfair. Now, I do not intend to go ahead with my remarks, because in holding up the government—

Mr. Teillet: On a point of order, we did not talk it out.

Mr. Aiken: —I would also be holding up other hon. members. I have explained this matter because I felt an explanation was necessary.

Item agreed to.

Public buildings, construction and services—

5. Construction, acquisition, major repairs and improvements of, and plans and sites for, public buildings listed in the details of the estimates, including expenditures on works on other than federal property, but the amount within the vote to be expended on individually listed projects may be increased or decreased, subject to the approval of treasury board—Newfoundland, $130,000.

Mr. Teillet: Mr. Chairman, as explained by the minister when he made his statement I move:

That vote No. 5 be reduced by $55,000.

Amendment agreed to.

Item as amended agreed to.

10. Nova Scotia, $705,000.

Mr. Teillet: I move:

That vote No. 10 be reduced by $395,000.

Amendment agreed to.

Item as amended agreed to.

[Mr. Aiken.]

30. Ottawa, $14,405,000.

Mr. Teillet: I move:

That vote No. 30 be reduced by the sum of $1,685,000.

Amendment agreed to.

Item as amended agreed to.

50. Alberta, $1,410,000.

Mr. Teillet: I move:

That vote No. 50 be reduced by $558,000.

Amendment agreed to.

Item as amended agreed to.

55. British Columbia, $1,615,000.

Mr. Ricard: Mr. Chairman, might I ask the reason for the restrictions or cancellations?

Mr. Teillet: These are the reductions mentioned by the minister when he introduced his estimates.

Mr. Ricard: Would you repeat them?

An hon. Member: Look on *Hansard* tomorrow.

Mr. Teillet: I move:

That vote No. 55 be reduced by $425,000.

Amendment agreed to.

Item as amended agreed to.

60. Yukon and Northwest Territories, $3,000,000.

Mr. Teillet: I move:

That vote No. 60 be reduced by $2,175,000.

Amendment agreed to.

Item as amended agreed to.

Harbours and rivers, engineering services—

100. Prince Edward Island, $630,000.

Mr. Teillet: I move:

That vote No. 100 be reduced by $260,000.

Amendment agreed to.

Item as amended agreed to.

105. New Brunswick, $1,905,000.

Mr. Teillet: I move:

That vote No. 105 be reduced by $54,000.

Amendment agreed to.

Item as amended agreed to.

110. Quebec, $4,567,000.

Mr. Teillet: Mr. Chairman, I move:

That vote No. 110 be reduced by $558,000.

The Chairman: Shall the amendment carry?

Mr. Pigeon: On division.

[*Translation*]

Mr. Gregoire: Mr. Chairman, could the Minister of Public Works tell us whether he intends to put this amount to another use since he is saving money to some extent.

Could he not use that money to carry out other works? For instance, the hon. member for Three Rivers (Mr. Balcer) is pressing for the construction of a bridge in Three Rivers. He might use that money for this purpose.

Mr. Deschatelets: Mr. Chairman, I must point out to the hon. member that those are projects which have been reviewed, and that for the reasons I gave earlier, either because of the difficulties involved in the selection of a site or for any other technical reasons, we did not see fit to go on with them.

However, this money might very well be included in the estimates I shall be introducing next year.

Mr. Gregoire: Could the minister not allocate these funds to the carrying out of other works, since works are needed not only in the province of Quebec but throughout Canada?

Mr. Deschatelets: Mr. Chairman, we cannot transfer any of these funds. If we do not undertake certain projects, we have to proceed as we now are doing, that is, reduce the estimates accordingly.

[*Text*]

Amendment agreed to.

Item as amended agreed to.

125. Alberta and Northwest Territories, $117,000.

Mr. Teillet: Mr. Chairman, I move:

That vote No. 125 be reduced by $9,000.

Amendment agreed to.

Item as amended agreed to.

150. Dredging—maintenance and operation of plant and contract and day labour works, $3,801,200.

Mr. Teillet: Mr. Chairman, I move:

That vote No. 150 be reduced by $101,200.

Amendment agreed to.

Item as amended agreed to.

180. Trans-Canada highway—construction through national parks, $2,213,000.

Mr. Teillet: Mr. Chairman, I move:

That vote No. 180 be reduced by $150,000.

Amendment agreed to.

Item as amended agreed to.

Central mortgage and housing corporation—

205. Expenses incurred in constructing and supervising construction of married quarters, rental housing, schools and related services and administering mortgages on behalf of the Department of National Defence, $415,000.

Mr. Deschatelets: Mr. Chairman, item No. 205 is now under the jurisdiction of the Minister of National Revenue.

Mr. Pickersgill: Let it be carried.

The Chairman: Transferred to the Department of National Revenue. Agreed?

Some hon. Members: Agreed.

220. Payment to the national capital fund, $7,500,000.

Mr. Knowles: Can the Minister of Veterans Affairs tell us the total amount of money he has saved through his efforts tonight?

Mr. Teillet: My understanding is that the total reductions and the differences in addition amount to something like $6 million.

Item agreed to.

L50. Advances to Central Mortgage and Housing Corporation for the purposes of subsection 1 of section 37 of the National Housing Act, 1954, in respect of the acquisition, development, construction and improvement of land and buildings, $118,000.

The Chairman: This item with regard to C.M.H.C. has also been transferred to the Department of National Revenue.

[*Translation*]

Mr. Deschatelets: Mr. Chairman, may I be allowed to thank all hon. members for their co-operative federalism which has enabled us to pass the estimates of my department.

[*Text*]

Mr. Winkler: Mr. Chairman, before the minister is finished with his estimates may I say I hope he has not reduced the items too far to fix my desk top here.

207d. To authorize Central Mortgage and Housing Corporation, notwithstanding section 7 of the National Housing Act, 1954, to insure loans made on and after June 14, 1963 under that act to home-owners, to builders of houses who intend to sell to home purchasers, and to co-operative housing associations, where the amount of any such loan does not exceed,

(a) in the case of a loan made in respect of a house containing one family housing unit, an amount equal to the aggregate of

(i) 95 per cent of the first $13,000 of the lending value or any part thereof,

(ii) 70 per cent of any amount by which the lending value exceeds $13,000, and

(iii) the amount of the insurance fee paid in respect of the loan; and

(b) in the case of a loan made in respect of a house containing two family housing units, an amount equal to the aggregate of

(i) 95 per cent of the first $13,000 of one half of the lending value of the house or any part thereof,

(ii) 70 per cent of any amount by which one half of the lending value of the house exceeds $13,000,

(iii) 85 per cent of the other half of the lending value of the house, and

(iv) the amount of the insurance fee paid in respect of the loan, $1.

The Chairman: Item 207d, with regard to Central Mortgage and Housing Corporation, has also been transferred to the Department of National Revenue. This concludes the estimates of the Department of Public Works.

Mr. Pickersgill: Mr. Chairman, before you leave the chair, since the house is in a very co-operative mood, since the hon. lady has been sitting here all day and as already we have had two or three opportunities to discuss her estimates, and there are only two or three items left and since I believe it is the eve of her birthday, I wonder whether we could not make her a birthday present by disposing of her department.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

55. Family allowances and old age security—administration, $2,890,000.

Mr. Knowles: This item is all right, Mr. Chairman. I want to speak on item 60 but at the speed things are going one has to watch.

Item agreed to.

60. Old age and unemployment assistance, blind persons and disabled persons allowances—administration, $188,800.

Mr. Knowles: Mr. Chairman, I wonder whether the government is considering any further changes in the requirements for these various pensions as set out in the different pieces of legislation. Rather than raise them individually I thought I could do it on one general item. I have in mind the question of residence, particularly with respect to old age security but also with respect to the others. One of the complaints that seems to have come to me from a great many people in recent months is that of elderly people who have lived in Canada perhaps 40, 50 or 60 years, but who have had to go elsewhere because of health, and find this one year requirement before they can qualify for the old age security pension a very difficult and awkward one to meet. There are other complaints.

With respect to the disability pension there is the question of the definition of disability and so on. If this were being done tomorrow I would take my 30 minutes and deal with it but tonight I shall do so very briefly. I should like to ask the minister if her department is considering bringing in amendments to these various pieces of welfare legislation to correct some of these difficulties.

Miss LaMarsh: Mr. Chairman, may I say my hon. friend knows that things are in a state of flux in my department. The question of the year's requirement is one on which I also have received some letters but not very many considering the million people in receipt of this benefit. When these letters are received they are discussed by me with my officials, but because of the incipience of the Canada pension plan they are perhaps not treated with as much importance as they might otherwise be.

[The Chairman.]

With respect to the disability definition I agree with my friend that it is a rather restrictive one and a number of hon. members have already mentioned this, as indeed I did when I was on the other side of the house. But with respect to the hopes that the government has regarding the disabled being added to the Canada pension plan, this means that these areas are open for considerable future improvement, and I would say to my hon. friend it is more likely when the Canada pension plan is in effect those who qualify in the future will be taken care of in that way and that the administration will look then to those who remain and cannot qualify under the plan. As my friend knows, I have only been a few months in this office and at the moment there is no suggestion by the government of any change for the next fiscal year in these particular matters.

Mr. Knowles: I have just one remark to make. I noted what the minister said the other day, I think it was during discussion of her estimates or on some piece of legislation, about the desirability of getting our pensions to the place where they are paid to certain people as of right and to all people who need pensions because of their need and not because they come in particular categories. I think she will appreciate that this is related to the sort of thing I have been asking her about, and I hope that in whatever recess we give to members of the cabinet between this session and next she will work very hard on this important question.

[*Translation*]

Mr. Caouette: Mr. Chairman, I should like to put a question to the Minister of National Health and Welfare (Miss LaMarsh) concerning item 55, which has to do with family allowances.

I realize that these estimates were prepared by the Conservative regime which preceded the present government and that, at that time, no thought had been given to raising family allowances because they wanted to give the impression of being more on the conservative side.

But now that the Liberals are in office, does the minister intend, when the time comes to prepare the next budget—which will be a Liberal budget—to propose an increase in family allowances and to have it apply to all children as long as they keep on going to high school, technical school or university?

[*Text*]

Mr. Gregoire: Will the minister answer?

Miss LaMarsh: Briefly, I may say that my hon. friend is speaking on item 55 which is

passed. However, he knows this government is committed to extending family allowances within the life of this parliament.

Item agreed to.

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Churchill: What is the business for tomorrow, may I ask?

Mr. Pickersgill: Before I say anything about the business for tomorrow, sir, I should like to see whether it would be agreeable to hon. members in all parts of the house if we were to meet tomorrow at twelve o'clock. It seems to me that between twelve and one we could dispose of orders of the day and routine business, then when we resumed again at two thirty we would have quite a long go at the estimates until seven o'clock, and possibly make a great deal of progress. All that is involved would be to abbreviate somewhat the caucuses we have. I feel confident it would contribute a great deal to progress tomorrow.

Mr. Winkler: Could the minister tell us what departments are complete and what departments remain to be completed?

Mr. Pickersgill: Yes, I would be glad to do that. I have a list here which was made up before northern affairs was completed last night. I could try to correct it as I go along. There are no items passed in the Department of Agriculture; citizenship and immigration, no items passed; defence production, they have all passed. No items have been passed for the Department of External Affairs; finance, no items have passed and the department has not yet been before the committee. Department of Fisheries, I am told there are 11 items to pass. All the items in the Department of Forestry have passed. Most of the items in the Department of Industry have passed, but there are some still outstanding. They have all passed in justice. Only two items have passed in the Department of Labour and there are 21 still outstanding; legislation is entirely outstanding. There are 28 items in mines and technical surveys, and none have passed. There are still eight items to pass in national defence. There are no more items to pass in national health and welfare. No items have yet been passed in national revenue. I think there is only one left outstanding in northern affairs, if I recall. Post office, of course, no items have been called as yet. It is the first department on the menu for tomorrow. Public works is completed. My own department has not yet been touched. There is one item outstanding in trade and commerce; and in transport, 58 items have been passed and 13 are outstanding. Veterans affairs, no items have been passed but the departmental estimates were considered very carefully in committee.

It will be seen there are still a considerable number of items to be called. The hon. member for Digby-Annapolis-Kings gave us some prospective of what we would have to face if every hon. member spoke for ten minutes, and we would need a considerable number of hours. For that reason, I do renew my request, because I believe we would gain considerably more than one hour by sitting the hour between twelve and one tomorrow.

Mr. Knowles: I see the Secretary of State is looking in my direction as he renews that request. I might say we do not feel very happy about this business of having negotiated hours for Monday, Tuesday and Wednesday as well as Thursday, and then being asked to change them. Members have made their plans accordingly. However, in the light of the situation and in the light of the general desire to get along, we in this party give our unanimous consent.

Mr. Leboe: Mr. Chairman, we will go along with that.

[*Translation*]

Mr. Gregoire: Mr. Chairman, we agree to the suggestion of the Secretary of State that we sit tomorrow at twelve o'clock noon.

[*Text*]

Mr. Churchill: The main stumbling block has been removed, so we agree.

Mr. Knowles: I hope the *Globe and Mail* notices who is here.

Mr. Pickersgill: Well, I wonder if the *Globe and Mail* is here. However, that is said in a spirit of good, clean fun. Perhaps I am lucky that that newspaper has not got a great circulation in Bonavista-Twillingate.

The departments that will be taken tomorrow are post office, legislation, national revenue, and if we complete those departments, the Minister of Fisheries is eager to go ahead. If we complete all of those, I think the Minister of Agriculture would be willing to come in to complete his department, too, just before seven o'clock.

Mr. Deputy Speaker: Is it agreed that we will sit tomorrow from twelve o'clock to one o'clock?

Mr. Knowles: We have already agreed to that. In this connection, I just want to have it clearly understood what our hours are going to be on Thursday. We reached agreement last night, but both *Hansard* and *Votes and Proceedings* could be misleading on the point.

Mr. Pickersgill: I think I ought to come clean about this. I did not notice the point until the hon. gentleman spoke to me earlier, but the language I used last night did not convey what I intended to convey, nor did it convey what I believe was the understanding. I think the understanding was that on Thursday we would start at 11, rise at one, continue at 2.30 and rise at 6, and continue at 7 and go on to 10.30. That, I hope, will be recorded as an amended understanding because I would not like to seem to be taking advantage of the sloppy language I used last night. I am not saying that when Thursday comes I may not ask hon. members to be generous in their interpretation of those hours, but those are the hours that were agreed upon and should be ordered.

Mr. Gregoire: Mr. Speaker, as it was mentioned earlier by the Secretary of State that it will be the birthday of the Minister of National Health and Welfare tomorrow, may we wish her sweet sixteen.

Mr. Aiken: The private members' hour on Thursday is not to be eliminated?

Mr. Pickersgill: Well, there was no understanding to that effect and I believe there are some very interesting items up for debate in that hour. I imagine it would depend whether those concerned would want to debate them or not.

Mr. Aiken: There is only one bill left.

Mr. Pickersgill: I do not think the bills come before us. It is motions for papers on Thursday.

Mr. Aiken: Motions for papers last week; this week will be private bills.

Mr. Pickersgill: Perhaps there should be some discussion about that, but there is no understanding as of now.

It being twenty four minutes after eleven o'clock the house adjourned, without question put.

[The following items were passed in committee of supply this day (for amendments, see text):]

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

Welfare branch—

55. Family alowances and old age security—Administration, $2,890,000.

60. Old age and unemployment assistance, blind persons and disabled persons allowances—Administration, $188,800.

Fitness and amateur sport—

61. Administration, $124,100.

National welfare grants—

62. Administration, $72,900.

63. To authorize, on terms and conditions approved by the governor in council, national welfare grants to provinces and welfare agencies including schools of social work, and to individuals in the form of scholarships and fellowships, $500,000.

General—

65. Grants to health and welfare and related organizations, as detailed in the estimates, $267,750.

70. Emergency health, welfare and training services, $4,799,000.

DEPARTMENT OF PUBLIC WORKS

1. General administration including a grant of $2,000 to the Canadian good roads association, $10,695,000.

Public buildings, construction and services—

Construction, acquisition, major repairs and improvements of, and plans and sites for, public buildings listed in the details of the estimates, including expenditures on works on other than federal property, but the amount within the vote to be expanded on individualy listed projects may be increased or decreased, subject to the approval of treasury board—

5. Newfoundland, $130,000.

5a. Newfoundland, $1.

10. Nova Scotia, $705,000.

20. New Brunswick, $200,000.

20a. New Brunswick, $40,000.

25. Quebec, $2,105,000.

25a. Quebec, $92,000.

30. Ottawa, $14,405,000.

35. Ontario (other than Otawa), $5,280,000.

35a. Ontario (other than Ottawa), $206,000.

40. Manitoba, $75,000.

45. Saskatchewan, $190,000.

45a. Saskatchewan, $35,000.

50. Alberta, $1,410,000.

55. British Columbia, $1,615,000.

55a. British Columbia, $1.

60. Yukon and Northwest Territories, $3,000,000.

70. Improvements generally—Not more than $25,000 to be expended on any one project without the approval of treasury board, $750,000.

75. Maintenance and operation of public buildings and grounds, $45,122,400.

75a. Maintenance and operation of public buildings and grounds, $915,000.

80. Furniture and furnishings for government departments, $2,098,800.

80a. Furniture and furnishings for government departments, $118,500.

85. Work in the interests of fire prevention including a grant of $5,000 to the Canadian joint fire prevention publicity committee, $221,000.

Harbours and rivers, engineering services—

Construction, acquisition, major repairs and improvements of, and plans and sites for, harbour and river works listed in the details of the estimates, including expenditures on works on other than federal property, but the amount within the vote to be expended on individually listed projects may be increased or decreased, subject to the approval of treasury board—

90. Newfoundland, $3,825,000.

90a. Newfoundland, $92,000.

95. Nova Scotia, $1,711,000.

95a. Nova Scotia, $224,000.

100. Prince Edward Island, $630,000.

105. New Brunswick, $1,905,000.

105a. New Brunswick, $1.

110. Quebec, $4,567,000.

110a. Quebec, $1.

115. Ontario, $2,791,000.

115a. Ontario, $1.

120. Manitoba and Saskatchewan, $52,000.

125. Alberta and Northwest Territories, $117,000.

130. British Columbia and Yukon Territory, $2,492,000.

130a. British Columbia and Yukon Territory, $88,000.

135. Construction or acquisition of buildings, works land and equipment, $52,500.

135a. Construction or acquisition of buildings, works, land and equipment, $40,500.

140. Remedial works where damages are caused by, or endanger, navigation or federal government structures, $600,000.

145. Repairs and upkeep, including reconstruction and replacements for the maintenance of services; no new works to be undertaken, $2,800,000.

Dredging—

150. Maintenance and operation of plant and contract and day labour works, $3,801,200.

155. Construction or acquisition of plant and equipment, $854,000.

160. Maintenance and operation of graving docks, locks and dams, $827,800.

Development engineering services—

165. Canada's share of the cost of international and interprovincial bridges, as detailed in the estimates, $1,235,000.

165a. Canada's share of the cost of international and interprovincial bridges as detailed in the estimates, $800,000.

167. Towards the cost of planning a causeway and associated structures across Northumberland strait, $500,000.

168. Towards installation of a water supply system at Churchill, Manitoba, $80,000.

168a. Towards installation of a water supply system at Churchill, Manitoba, $110,000.

170. Roads and bridges—Maintenance and operation including authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the operating expenses of the New Westminster bridge, $379,600.

170a. Roads and bridges—Maintenance and operation including authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the operating expenses of the New Westminster bridge, $40,000.

Supply—Items Passed

175. Testing laboratories—Operation and maintenance, $1,008,100.

Trans-Canada highway—

178d. To provide, notwithstanding subsection (4) of section 4 of the Trans-Canada Highway Act, for the payment until May 31, 1968 by Canada to any province with which Canada has entered into an agreement under that act, of contributions in respect of the cost incurred by such province prior to December 31, 1967, in construction of the trans-Canada highway; to provide, notwithstanding subsection (2) of section 4 of the said act, for the payment until May 31, 1968, to the provinces of Newfoundland, Nova Scotia, Prince Edward Island and New Brunswick of contributions equal to ninety per cent of the cost incurred between April 1, 1964 and December 31, 1967, by each of those provinces in construction of the trans-Canada highway; to provide that the aggregate of all expenditures under sections 4, 5 and 6 of the said act shall not exceed six hundred and twenty five million dollars, and to authorize the Minister of Public Works, with the approval of the governor in council, to enter into agreements with the provinces to give effect to the foregoing provisions, $1.

179a. Trans-Canada highway—to provide, notwithstanding subsection 2 of section 4 of the Trans-Canada Highway Act (R. S. chapter 269, as amended) for payment to the provinces of Newfoundland, Nova Scotia, Prince Edward Island and New Brunswick of amounts up to 90 per cent of the costs to the provinces of construction of this highway as from April 1, 1963, $10,000,000.

180. Construction through national parks, $2,213,000.

General—

185. Advance planning of projects including acquisition of sites, $2,000,000.

190. Balances required to complete any projects undertaken in previous fiscal years and for which no specific provision is made in the fiscal year 1963-64, $800,000.

195. Miscellaneous works not otherwise provided for, including expenditures on works on other than federal property: a maximum of $15,000 may be expended in respect of any one work and, with the approval of treasury board, that maximum may be increased to $25,000, $2,000,000.

200. To supplement, on approval of treasury board except where less than $1,000 is required, any of the appropriations of the Department of Public Works, $700,000.

National capital commission—

210. Operation and maintenance of parks, parkways and grounds adjoining government buildings at Ottawa and Hull, and general administration, $2,831,000.

215. Interest charges on outstanding loans that were made for the purpose of acquiring property in the national capital region, $2,000,000.

220. Payment to the national capital fund $7,500,000.

Loans, investments and advances—

L55. Loans to the national capital commission in accordance with section 16 of the National Capital Act for the purpose of acquiring property in the national capital region excluding property being acquired for the purpose of establishing what is commonly referred to as the "Greenbelt", $10,000,000.

L60. Loans to the national capital commission, in the current and subsequent fiscal years, in accordance with section 16 of the National Capital Act for the purpose of acquiring property in that area of the national capital region commonly referred to as the "Greenbelt", $4,000,000.

HOUSE OF COMMONS

Wednesday, December 18, 1963

The house met at 12 o'clock noon.

PRIVILEGE

MR. AIKEN—REFERENCE TO REMARK IN DEBATE ON DECEMBER 17

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, may I rise on a question of privilege. Last evening, as reported at page 6036 of *Hansard*, I referred to the actions of an hon. member by using the words "fast trick". On reflection, and after discussing the matter with the hon. member, I feel I ought to have described the situation rather as an unfortunate misunderstanding caused by a failure of communication.

RAILWAYS, CANALS AND TELEGRAPH LINES

Fifth report of standing committee on railways, canals and telegraph lines—Mr. Pennell.

BUSINESS OF THE HOUSE

REQUEST FOR CONSIDERATION OF MOTION ON "VOTES AND PROCEEDINGS"

Mr. Ralph Cowan (York-Humber): Mr. Speaker, in *Votes and Proceedings* of today I ask:

That an order of the house do issue for a copy of the current agreement between the Department of Transport and Air Terminal Transport Limited, effective from August 1, 1960, for a period of ten years, for the provision of a ground transportation service between Toronto-Hamilton international airport and the two cities.

Inasmuch as we will not have another period before the house recesses for Christmas in which motions for the production of papers will come up, might I have the unanimous consent of the house to agree to the production of these papers before the Christmas recess?

Mr. Speaker: I do not believe this is the proper time, but with a view to saving time perhaps the house might be willing to give unanimous consent. Does the house give unanimous consent?

Some hon. Members: No.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

PARTY LEADERS RECEIVING ADDITIONAL $4,000

Question No. 1,374—**Mr. Horner (Acadia):**

How many leaders of parties are at present receiving the $4,000 provided for in Bill No. C-91 as assented to August 2, 1963?

Mr. Benson: Two.

*PARTY LEADER ALLOWANCE OF $4,000

Question No. 1,442—**Mr. Coates:**

1. To how many leaders of parties is the allowance of $4,000 being paid?
2. On what date did each of the leaders (a) commence to receive the $4,000 allowance (b) cease to receive the allowance?

Mr. Benson: 1. Two.

2. (a) Mr. R. Caouette, October 21, 1963; Mr. T. C. Douglas, April 8, 1963; Mr. R. Thompson, April 8, 1963. (b) Mr. R. Thompson, October 20, 1963.

SCHOOLS ON ASSINIBOINE INDIAN RESERVE

Question No. 1,482—**Mr. Langlois:**

With reference to schools on the Assiniboine Indian reserve, situated between Montmartre and Wolsley, Saskatchewan, since 1950, (a) how many schools have been built (b) now many were repaired (c) what was the amount allocated for construction (d) what was the amount allocated for repairs (e) who is, or who were, the contractor or contractors who obtained contracts either for construction or for repairs, and (f) who were the other bidders, and at what prices?

Mr. Munro: (a) One, in 1955-56.

(b) Repairs were carried out on two single classroom units and to the school constructed in 1955-56.

(c)	Original construction	$52,257.98
	Installation of water treatment system 1958-59	1,385.60
	Total	$53,643.58
(d)	Repairs to buildings	$19,937.62
	Repairs to equipment	334.41
	Total	$20,272.03

The greater part of this amount was expended on numerous small repair jobs and for local purchases for which tenders were not called.

(e) and (f)

Construction: 1. For construction of the new school and staff quarters, Hartmier Construction Co., 22 Myrtle ave., Yorkton, Saskatchewan. Unsuccessful bidder (only two

tenders received), Beckard Construction Co. Ltd., 1791 Rose south, Regina, Saskatchewan, $53,648.15.

2. For installation of new water treatment system, L. S. Huntley, Indian Head, Saskatchewan. Unsuccessful bidder (only two tenders received), Botting and Dent, Prince Albert, Saskatchewan, $1,690.

Repairs: 1. Improvements to water system (one tender only received), W. T. Cawley, 2070 Pasqua street, Regina, Saskatchewan.

2. For installation of water pressure system, Waterman, Waterbury, Regina, Saskatchewan. No tenders called. Contract given to the plumbing and heating subcontractor employed on the job by the construction contractor.

3. For miscellaneous repairs, Sintaluta Lumber Yard, Sintaluta, Saskatchewan. Unsuccessful bidder (only two tenders received), L. Jardine, Indian Head, Saskatchewan, $3,542.03.

4. For renovation of old building for classroom (one tender only received), L. S. Huntley, Indian Head, Saskatchewan.

EDMONTON, ALTA., SUB-POST OFFICES

Question No. 1,649—**Mr. Lambert:**

Since April 22, 1963, have there been any changes in sub-postmastership or any sub-post offices closed or new ones opened in the city of Edmonton, Alberta and, if so (a) what are the numbers of the sub-post offices (b) the location of each, and (c) the effective date of any change or of the opening (d) what persons outside of post office officials in Edmonton were consulted with respect to each of the changes or openings?

Mr. Denis: Yes, as follows:

(a)	(b)	(c)	(d)
Sub 9	10306-82nd street	31- 7-63 (postmaster resigned)	John Decore.
Sub 11	90th avenue and 112th street	25- 5-63 (postmaster resigned)	Nil.
Sub 51	12060 Jasper ave.	4-11-63 (reopening of office)	J. Harper Prowse. Appointment recommended by district director
Sub 64	11565-136th street	30- 4-63 (postmaster resigned) (office permanently closed on recommendation of district director)	J. Harper Prowse.
Sub 66	7810-73rd avenue	16- 8-63 (postmaster resigned) (office closed temporarily on recommendation of district director)	John Decore.
Sub 81	9046-132nd avenue	27- 5-63 (postmaster resigned) (office closed temporarily but district director making inquiry on question of reopening)	Don Brinton.
Sub 86	10769-95th street	11- 7-63 (new sub office)	Don Brinton.

RESEARCH STUDY OF INDIAN AFFAIRS, B.C.

Question No. 1,662—**Mr. Howard:**

1. Since January 1, 1957, has Professor Hawthorn of the University of British Columbia been approached to undertake any research type, or other study of Indian affairs in British Columbia and, if so, when was such an approach or approaches made?

2. What reply or replies were received from Professor Hawthorn and upon what dates?

3. Is such a study of Indian affairs to be undertaken and, if so, what are the terms of reference, the names and addresses of the personnel who will be conducting the said study, and when will the study be started?

4. If such a study is not to be undertaken what is the reason therefor?

5. Was any suggestion made to Professor Hawthorn that the personnel of such a group conducting such a study consist of an equal number of English background people and French background people and, if so (a) what was the reply or replies thereto (b) what was the reasoning behind such a proposal (c) what is the explanation that such a proposal was sensible and would lead to an effective study?

6. If such a study is not to be undertaken because of the impracticabilities of conducting it through a bilingual group instituted from the government level, will another approach be made to Professor Hawthorn asking him again to undertake such a study with personnel whom he thinks are intellectually and professionally suited for the task?

Mr. Munro: 1. Yes. Discussions were held with Dr. H. B. Hawthorn early last summer regarding the proposed research program and his acceptance as director.

2. Not applicable.

3. Yes. An agreement with the University of British Columbia was completed in Oc-

tober whereby the university undertakes to examine into the social, cultural, economic, political and educational problems related to the integration of Indian individuals into Canadian society and of Indian communities into the provincial-municipal framework within which other Canadian communities operate. Dr. H. B. Hawthorn, department of anthropology, University of British Columbia, Vancouver, is director and Dr. Marc-Adelard Tremblay, faculty of social sciences, Laval University, Quebec, P.Q., is associate director. It is expected that specialists and research assistants located in various universities and research centres throughout Canada will be appointed by the research directors to undertake portions of the research as required. The research program is now being organized in detail.

4. Not applicable.

5. No.

6. Not applicable.

SURPLUS WHEAT

Question No. 1,670—**Mr. Latulippe:**

1. What was the volume and value of surplus wheat in Canada for each of the past five years?

2. How much of that surplus, was disposed of during those five years to underdeveloped countries?

3. How much of that surplus has been processed to produce wheat products, what were such products and (a) in what amounts were they produced (b) what was the processing cost (c) to whom were the sales made?

4. How much has the storage of that surplus cost yearly for the past five years?

5. How much of that surplus is stored in the province of Quebec, what is its value and, what are the carrying charges and the storage costs?

6. What are the carrying charges concerning wheat surpluses?

[*Translation*]

Answer: 1. There is no surplus wheat, as such, in Canada. Total stocks may vary from time to time but it is impossible to establish a quantity which may be considered surplus or in excess of requirements. This fact has been dramatically demonstrated this fall when an unprecedented demand for Canadian wheat developed. Accordingly, the only information available is the total available wheat supply situation each year. The quantities available for export and domestic use in each year commencing 1959-60 are as follows:

Crop Year	Carry-over	Production	Total Supplies
	(million bushels)		
1959-60	588.0	445.1	1,033.1
1960-61	599.6	518.4	1,118.0
1961-62	607.8	283.4	891.2
1962-63	391.1	565.5	956.6
1963-64	488.8	723.4	1,212.2

2. During the last five years gift shipments of wheat and flour from Canada were made under three programs; the Colombo Plan, U.N.R.W.A. and in 1959-60, the special Chile relief program. Total shipments of wheat and flour equivalent under these programs were as follows:

1958-59	11.6	million bushels
1959-60	8.6	" "
1960-61	8.4	" "
1961-62	7.3	" "
1962-63	1.8	" "

3. As noted in part 1, none of the supply is classified as surplus. Within Canada the bulk of the wheat processed is milled into flour. The amount of wheat so processed for domestic and export use in the past five crop years was as follows:

1958-59	90,143,000 bushels
1959-60	91,390,000 bushels
1960-61	89,731,000 bushels
1961-62	88,241,000 bushels
1962-63	78,789,000 bushels

The milling industry's flour exports and volume available for domestic use in the past five years was:

	Exports	Available for domestic use
	(cwt)	
1958-59	16,141,000	10,250,000
1959-60	16,074,000	10,544,000
1960-61	15,514,000	10,766,000
1961-62	13,893,000	11,275,000
1962-63	11,854,000	10,182,000

The bulk of the flour used in Canada is sold to be processed into bread, cakes, biscuits, etc. but other industrial uses include feeds, starch and adhesives and miscellaneous chemicals. The pulp and paper industry and the explosive manufactories also use small quantities.

Information pertaining to the processing costs of wheat is not available.

4. As indicated in part 1, a surplus of wheat does not exist in Canada; consequently a reply cannot be given relative to the storage cost of surplus wheat. The carrying costs for all wheat delivered to the Canadian wheat board in the last five pools that are now closed were as follows:

Pool	Paid by the producers	Paid by the government under the Temporary Wheat Reserves Act	Total
	(million dollars)		
1957-58	16.7	39.6	56.3
1958-59	18.4	42.9	61.3
1959-60	16.4	48.5	64.9
1960-61	16.5	39.7	56.2
1961-62	11.2	37.8	49.0

5. August 1 wheat stocks in store St. Lawrence ports in province of Quebec, 1958 to 1962.

1958	21.0
1959	17.5
1960	26.6
1961	26.9
1962	24.4

6. The carrying charges concerning stocks of wheat comprise storage costs set at 1/30 of a cent per bushel per day, together with interest charges.

[*Text*]

COMMUNITY CENTRE, ESKASONI INDIAN RESERVE

Question No. 1,702—**Mr. Muir (Cape Breton North and Victoria):**

Is consideration being given by the Department of Citizenship and Immigration toward the construction of a community centre at the Eskasoni Indian reservation which would be a joint financial project between the band council and the Indian affairs branch and, if so, what progress is being made and, what conclusions have been reached?

Mr. Munro: No. However, it is understood a committee comprising local residents has been formed to raise funds for a community centre.

*C.B.C.—EMPLOYMENT OF FORMER MEMBERS OF PARLIAMENT AND EXECUTIVE ASSISTANTS

Question No. 1,709—**Mr. Macaluso:**

1. Have any persons who were former members of parliament and defeated in the 1962 or 1963 federal elections been employed by the Canadian Broadcasting Corporation in any capacity and, if so, what are their names and, what are their duties?
2. Have any former executive assistants or other persons paid out of public funds on the staff of ministers of the crown who served since June 21, 1957 been employed by the Canadian Broadcasting Corporation in any capacity and, if so, what are their names and, what are their duties?

Mr. Pickersgill: I am informed by the Canadian Broadcasting Corporation as follows:

1. No former members of parliament, defeated in the 1962 or 1963 federal elections, have been employed on the staff of the Canadian Broadcasting Corporation. A check is being carried out at all locations to determine whether any have been engaged in any other capacity, such as freelance participation on single programs or series. Preliminary and incomplete information indicates Messrs. Egan Chambers and Hon. Howard Green were guest participants in programs originating from Vancouver for a total of three occasions. Hon. Frank McGee is being used as moderator of the series "The Sixties," usually originating from Ottawa.

2. Difficulty has been encountered in obtaining a list of persons formerly on the staff of ministers of the crown. With the assistance of Mr. Macaluso, this question was revised to deal only with executive assistants and senior personal assistants and a list of 63 names was obtained from the office of the privy council only December 13. None of these persons have been employed on the staff of the Canadian Broadcasting Corporation. A check is being carried out at all locations concerning this list to determine whether any have been engaged in any other capacity. Preliminary and incomplete information indicates that Mr. Roy Faibish is being used as a program contributor at Ottawa and that others have been used but current data is insufficient to establish whether this was before or after their association with ministers of the crown.

INDIAN CO-OPERATIVES

Question No. 1,767—**Mr. Orlikow:**

1. How many people are there working in the Indian affairs branch of the Department of Citizenship and Immigration in the promotion of co-operatives among Indians and what areas do they cover?
2. How many Indian co-operatives have been organized and what is the location of each?
3. How much business do these co-operatives do according to reports received by the branch?
4. What plan has the Indian affairs branch for increasing the staff working on the promotion of Indian co-operatives?

Mr. Munro: 1. There are no staff assigned on a full time basis to the promotion of co-operatives in the Indian affairs branch. However, one of the duties of the field staff located throughout Canada is to encourage the development of co-operatives where conditions lend themselves to this type of organization.

2. Thirty co-operatives whose membership is wholly or substantially Indian have been organized through local efforts, usually with assistance from provincial government departments concerned with co-operatives, from co-operative organizations or from the Indian affairs branch, or a combination of these. Locations are as follows: Yukon Territory, 1; Northwest Territories, 1; British Columbia, 1; Alberta, 1; Saskatchewan, 13; Manitoba, 10; Ontario, 2; Quebec, 1. In addition, some 20 projects, mostly fisheries, are currently operated on a co-operative basis without a formal organization under the supervision of the Indian affairs branch, which in a number of cases employs seasonal supervisors for this purpose.

3. The Indian affairs branch does not receive regular reports from the Indian co-operatives, which are independent entities.

4. The Indian affairs branch plans to encourage Indian participation in co-operatives by co-operating with provincial governments and such organizations as the Co-operative Union of Canada and its provincial associates.

Questions

INDIAN REVOLVING LOAN FUND

Question No. 1,768—**Mr. Orlikow:**

1. How much money is there in the revolving loan fund established for the use of Indians?
2. How much money has been loaned to Indian communities from this fund to help them establish co-operatives?
3. How many loans have been made and for what periods of time?
4. At what rates were these loans made?
5. How much of the money loaned has been repaid?

Mr. Munro: 1. As at October 31, of the $1 million authorized in the revolving loan fund under section 69(5) of the Indian Act, there was the sum of $198,421.02 available for loans.

2. $15,000 has been loaned to organized co-operatives.

3. From January 1, 1939 to October 31, 1963, 1,553 loans representing a total of $2,167,340.94 have been made for repayment periods of up to 10 years.

4. 5 per cent simple interest per annum.

5. From January 1, 1939, to October 31, 1963, $1,189,258.07 principal has been repaid to the revolving loan fund.

STUDY OF AUTOMATION

Question No. 1,790—**Mr. Latulippe:**

1. Were representations made to the Minister of Labour or other members of the cabinet requesting the government to vote funds or to appoint a board or other agency for a study of the effects of automation on the labour market in Canada?
2. Have Canadian labour unions made representations to the government concerning such a study and, if so, which unions, and what were their main recommendations?

Mr. MacEachen: 1. No such representations have been made to the present government.

2. No.

CANADIAN CO-OPERATION WITH U.S. PEACE CORPS

Question No. 1,793—**Mr. Latulippe:**

Does Canada co-operate in any way with the United States peace corps in any country where the corps operates and, if so (a) in what way (b) at what expense, and (c) on whose authority?

[*Translation*]

Mr. Martin (Essex East): Under the Canadian bilateral programs of external assistance, educational and technical advisers are provided to countries where the personnel of the peace corps may also serve. In addition voluntary organizations in Canada send personnel abroad and in certain cases they may work in the same areas as the personnel of the peace corps. However, these are separate national programs for which each country takes its own responsibilities and pays its own expenses.

28902-5—385½

LANDINGS AND TAKE-OFFS, VANCOUVER AIRPORT

Question No. 1,801—**Mr. Mather:**

1. What was the number of landings and take-offs at Vancouver international airport for the month of October 1958, and for the month of October, 1963?
2. In relation to traffic (landings and take-offs), how does Vancouver international airport rank with other airports on the North American continent?
3. Does the Department of Transport intend to continue levying a one dollar landing fee at Vancouver international airport?
4. In what percentage of cases of planes landing at Vancouver international airport are such fees collected?

Mr. McIlraith: 1. October 1958, 19,848 landings and take-offs; October 1963, 6,810 landings and take-offs.

2. Vancouver international airport ranked 51st in relation to traffic, landings and take-offs, when compared with other airports on the North American continent excepting Mexico for which statistics are not readily available.

3. Yes.

4. Seven per cent of the aircraft landing at this airport pay the one dollar landing fee.

MAIL SERVICE, AHOUSAT, B.C.

Question No. 1,805—**Mr. Barnett:**

1. What is the frequency of the current mail service to and from Ahousat, B.C., and what day or days of each week or month are mails scheduled to arrive and be dispatched?
2. Are mails always received and dispatched on the scheduled days and, if not, on how many occasions during the last 12 months has a variation from the schedule occurred?
3. Over what route is the mail carried between Vancouver, B.C. and Ahousat, B.C., and who is the carrier or carriers of the mail over this route?
4. For the most recent 12-month period for which figures are available, what was the cost of transporting the mails to and from Ahousat?

Mr. Denis: 1. Once per week, Tuesday.

2. Yes, under normal conditions. Delays occurred on seven occasions because of weather conditions.

3. Vancouver to Nanaimo, B.C. Pony Express Ltd. Nanaimo to Port Alberni, Alert Service Transfer Ltd.; Port Alberni to Tofino, Long Beach Transportation Ltd.; Tofino to Ahousat, Tofino Tug and Barge Co.

4. $1,194.32, December 1, 1962 to November 30, 1963.

Note: Since December 11, 1963 Ahousat is served once per week on Friday by the Vancouver and Fair harbour water route which is operated by the Northland Navigation Co. Mr. H. Clarke, postmaster, Ahousat, conveys the mail between the post office and the wharf.

Questions

INDIAN BOARDING SCHOOL, ST. MARC DE FIGUERY, QUE.—FUEL OIL

Question No. 1,808—**Mr. Laprise:**

1. For the fiscal years 1957-58, 1958-59, 1959-60, 1960-61, 1961-62 and 1962-63, who was the supplier of fuel oil to the Amos Indian boarding school at St. Marc de Figuery, in the county of Chapleau?
2. For each of the said fiscal years, what was the cost of fuel for that boarding school?
3. Were tenders called for each of the said years and, if so, have the contracts always been awarded to the lowest bidder?

Mr. Munro: Purchase of fuel for the Amos residential school at St. Marc de Figuery is the responsibility of the Oblate order of the Roman Catholic church who operate the school. The information is therefore not available.

CARETAKER OF LIGHTS, PICTOU LANDING, N.S.

Question No. 1,822—**Mr. MacEwan:**

Were affidavits filed with the Department of Transport setting out evidence of active political partisanship in the discharge of Gordon Chisholm as caretaker of the Pictou bar lights at Pictou landing, Nova Scotia and, if so, who were the deponents to the affidavits?

Mr. McIlraith: While no affidavit was filed, Mr. Chisholm was afforded full opportunity to deny, in writing, the charge of active political partisanship and offered no defence or refutation.

*BENEVOLENT FUND FOR HONG KONG PRISONERS OF WAR

Question No. 1,824—**Mr. Herridge:**

Has a benevolent fund been set up for ex-prisoners of war captured at Hong Kong from the war claims fund as recommended by the veterans affairs committee of the House of Commons and, if not, for what reason?

Mr. Carter: No such benevolent fund has been set up from the war claims fund itself. However, by agreement with the international committee of the Red Cross, a benevolent fund, known as the prisoner of war (far east world war II) trust fund, was established on January 31, 1962, from funds made available to the Red Cross under article 16 of the Japanese peace treaty. This fund, which now stands at approximately $16,500, is used to alleviate special distress cases and help eligible veterans meet emergencies.

POST OFFICE, MONO CENTRE, ONT.

Question No. 1,827—**Mr. Madill:**

1. Who requested that the post office be moved from the general store in Mono Centre, Ontario, where it has been located for over a century, to a private house?
2. Has the Postmaster General received complaints about the quality of service provided by the appointed postmistress who has recently purchased the store, and was relieved of this position, Friday, November 29, 1963?
3. Were tenders called for this position of postmaster?
4. Were tenders called for a new location?
5. What is the rental basis for the post office?
6. What is the salary of the new postmaster?

[Mr. Denis.]

Mr. Denis: 1. No request received. The postmaster resigned.

2. No. Mrs. Ruby McLaine was not appointed postmaster. She was placed in temporary charge pending an appointment.

3. Tenders are not called to fill positions of postmasters. Postmasters of offices in this group are appointed by the Postmaster General.

4. No. A change of ownership of a building housing a post office does not affect the selection of a new postmaster when such a position becomes vacant.

5. Postmasters of post offices in this group are paid a salary which covers the work performed and the provision of adequate and suitable accommodation.

6. $1,080.

*CONSTRUCTION EMPLOYEES, JUSTICE DEPARTMENT CENTRE, COWANSVILLE, QUE.

Question No. 1,830—**Mr. Grafftey:**

1. How many persons are employed on the first stage of construction of the justice department's new centre at Cowansville, Quebec?
2. Have all workers on the project been paid regularly and, if not (a) will the government immediately investigate the reasons for any delay (b) will the government ensure the payment before Christmas of any worker whose salary or pay is in arrears?
3. Were any of the workers paid by cheque and were all such cheques honoured by the banks?

Mr. Badanai: 1. During the week December 2 to December 6, three tradesmen, one foreman and one timekeeper were employed. However in the earlier phases of construction the average strength of the labour force was 85.

2. The department was informed that payments were not made regularly and an investigation is being carried out and arrangements are being made with the local bank to have outstanding payments made to workers whose salary or pay is in arrears. The department cannot be certain at this time that all these payments will be made before Christmas but they will be cleared up as soon as possible.

3. Some workers were paid by cheque and the department has been informed that some of the wage cheques were not honoured by the bank.

*PLAYING OF "O CANADA", PEACE TOWER, OTTAWA

Question No. 1,836—**Mr. Ryan:**

What is the schedule, if any, for the playing of the special arrangement of the music to "O Canada" on the carillon of the peace tower on parliament hill, in Ottawa?

Mr. Munro: "O Canada" is played at the conclusion of all advertised recitals by the dominion carillonneur.

ADVERTISING AND PROMOTION OF DRUGS

Question No. 1,837—**Mr. Orlikow:**

Is the government considering implementation of the recommendation made in the report of the restrictive trade practices commission on the manufacture, distribution and sale of drugs as to "the advisability of bringing under the supervision of the food and drug directorate all advertising and promotion activities related to drugs, including the distribution of samples and the content of advertising literature", and the establishment "under the auspices of the federal government, of an authoritative publication giving all necessary particulars concerning new drugs"?

Miss LaMarsh: The Food and Drugs Act, which is administered by the Department of National Health and Welfare, has provided considerable authority for a number of years to regulate the labelling and advertising of drugs. This authority is designed to prevent the false or misleading advertising of drugs, and the existing authority is quite broad and comprehensive in this field.

The 1962 amendment of the Food and Drugs Act clearly prohibits the distribution of drug samples to the public and also provides for a regulated distribution of drug samples to physicians, veterinarians, dentists and pharmacists. Regulations have been promulgated that set forth the conditions under which samples may be distributed to members of these professions.

The recommendation of the restrictive trade practices commission that an authoritative publication of new drugs be produced under the auspices of the federal government is still under consideration by the Department of National Health and Welfare.

STAFF OF FOOD AND DRUG DIRECTORATE

Question No. 1,839—**Mr. Orlikow:**

Is the government considering implementation of the recommendation made in report of the restrictive trade practices commission on the manufacture, distribution and sale of drugs that "the staff of the food and drug directorate should be enlarged considerably to ensure thorough enforcement of the regulations"?

Miss LaMarsh: The establishment of the food and drug directorate has been increased to over 500 in the current fiscal year through the addition of 102 new positions. Further staff increases in future years are now being considered by the Department of National Health and Welfare and the treasury board.

REGULATIONS RESPECTING DRUGS

Question No. 1,840—**Mr. Orlikow:**

1. Has the government taken any steps to implement the recommendation made in the report of the restrictive trade practices commission on the manufacture, distribution and sale of drugs that there should be more stringent regulations under the Food and Drugs Act with respect to the manufacture, promotion and introduction of drugs, in order to give reasonable assurance that all prescription drugs offered for sale in Canada are safe to use and of good quality, and spelled out concretely by the commission in the following recommended changes in the regulations namely:

(a) All premises in which drugs are manufactured should be subject to inspection by the food and drug directorate;

(b) Requirements in connection with new drug submissions should be extended to include detailed reports of the tests made to establish the therapeutic effectiveness of the drug as well as the present requirement of reports of tests to establish the safety of the drug; such a change would make mandatory a joint evaluation of toxicity and efficacy before a new drug is put on sale;

(c) The food and drug directorate should be given the duty of inspecting and assaying samples from a sufficiently large number of batches of every prescription drug manufactured in Canada or imported from abroad to make it reasonably certain that it meets minimum standards of purity and therapeutic efficacy;

(d) All labels, advertisements or other descriptive material relating to single drugs and official compounds should be required to carry the proper name prominently and in type at least as large as that used for the brand name; and that a study should be made to ascertain if and to what extent a similar requirement would be feasible in respect of compound ethical drugs?

2. If so, what steps have been taken in each case?

Miss LaMarsh: The amendments during the past year to the food and drug regulations will be effective in achieving most of the objectives of the recommendations that were cited in the inquiry. More specifically, all premises producing drugs for sale in Canada are subject to inspection by the food and drug directorate. Regulations have been passed during the past year governing the manufacturing processes and quality control procedures in these drug manufacturing plants. Regulations concerning new drugs have been extensively revised, and substantial evidence of effectiveness is now specifically required to be included in the new drug submission. Samples of imported and domestically produced drugs are analysed and examined by the food and drug directorate. Without a tremendous increase in the staff and facilities of the food and drug directorate, however, its analyses cannot establish with certainty that every batch of prescription drugs sold in Canada meet minimum standards of purity and therapeutic efficacy. Also, as a matter of principle, the directorate should not assume the role of production control laboratory for drug manufacturers. The work of the food and drug directorate does encourage the manufacturers, however, to conscientiously fulfil their responsibility for the purity and efficacy of their drug products.

The regulations under the Food and Drugs Act have required for many years that the

proper name of single drugs and officially designated compound drugs be clearly and prominently displayed on the label in type not less that one half the size of the brand name. In addition, the regulations require a readily discernible quantitative statement of the medicinal ingredients to be included on the labels of compound ethical drugs.

The possibility of identifying all compound drugs with officially designated proper names has been considered several times. It is believed that such an approach would only create more confusion, however, because of the infinite variety of compound drugs that differ both in constituents and in their proportions.

This and other aspects of drug labelling and advertising are being frequently reviewed in the light of the experience gained in administering the Food and Drugs Act and of the views of other interested parties.

REPORT ON DEVELOPMENT OF BANFF TOWNSITE

Question No. 1,843—**Mr. Dinsdale:**

1. When was the Oberlander report on the development of Banff townsite received by the Department of Northern Affairs and National Resources?
2. Have any of its recommendations been implemented and, if so (a) what are they (b) what other recommendations will be carried out (c) what specific recommendations have been rejected?
3. Has Dr. Oberlander been asked to proceed to a similar study for Jasper townsite and, if so, when might this report be available?

Mr. Laing: 1. October 4, 1962.

2. Yes. (a) (i) General acceptance of the townsite land use recommendations. (ii) Establishment of an interim development committee to consider and recommend proposals for the development of land held under lease, in the townsite.

(b) (i) Appointment of a townsite manager and formation of a permanent development committee which will act as a townsite management group. (ii) Establishment of a pedestrian mall on Banff avenue. (iii) Development of pedestrian walks and a major promenade along the Bow river. (iv) Development of new road patterns to alleviate traffic congestion.

(c) None.

3. Yes; probably by April 1, 1964.

ARMED FORCES PERSONNEL FROM ST. HYACINTHE-BAGOT CONSTITUENCY

Question No. 1,845—**Mr. Ricard:**

What are the names, regimental numbers, ranks and present addresses of all the members of the Canadian armed forces whose home address is located in the constituency of St. Hyacinthe-Bagot?

Answer: Information as to the electoral district in which is located the home address given by a member of the Canadian armed forces for service records purposes, on enlistment, is not available.

GRAIN EXCESS AND OVERAGE

Question No. 1,846—**Mr. Rapp:**

Since March 31, 1955, what has been the total quantity of grain, excess and overage, received by the Canadian wheat board, its disposition and also of the proceeds therefrom, by the government of Canada under authority of an act to amend the Canadian Grain Act, chapter 9 of the statutes of Canada 1955?

Answer: No grain is delivered to the Canadian wheat board under the provisions of the Canada Grain Act. Any adjustments required are made with the Canadian wheat board on a monetary basis by the board of grain commissioners.

Since March 31, 1955 the moneys paid by the terminal elevator companies to the Canadian wheat board on the direction of the board of grain commissioners were as follows:

1956-57 crop year	$ 814.37
1957-58 crop year	651.46
1958-59 crop year	Nil
1959-60 crop year	369.00
1960-61 crop year	149.57
1961-62 crop year	1,184.43
	$3,168.83

These amounts as received by the board were credited to the current pool account and, in essence, became revenue for the benefit of producers who delivered to the particular pool.

*TEMPORARY EMPLOYEES, POST OFFICE DEPARTMENT

Question No. 1,847—**Mr. Knowles:**

1. How many temporary or casual employees have been taken on by the Post Office Department for the 1963 Christmas period?
2. How many of these employees were obtained through national employment service? How many were obtained in other ways? What were the other ways in which such employees were obtained?

Mr. McWilliam: 1. The number of temporary employees taken on will be known only after Christmas. Last year the department employed 50,241.

2. Answers to parts 1 and 2 are not available at this time. Last year, 31,625 were supplied by the national employment service and 18,616 recruited in other ways.

Other ways of recruiting employees are outlined on page 5598 of *Hansard* of December 9, 1963 as follows:

There are many ways to apply for positions at Christmas. First of all an applicant may go to the post office and apply. Second, he can seek work through the employment bureau, and there are also some members of parliament who recommend

applicants. They can also write to the Postmaster General himself who will refer the names to the respective post offices.

BARGE LANDING FACILITIES, CAMPBELL RIVER, B.C.

Question No. 1,849—**Mr. Barnett:**

1. Have requests been received by the government for the development of barge landing facilities at the mouth of Campbell river, Vancouver island, B.C., and, if so, from whom have such requests been received?
2. Do proposals for the provision of barge landing facilities involve dredging of the river channel near its mouth?
3. Have any protests been received by the government against proceeding with any such proposals and, if so, by whom have such protests been made?
4. Has the government any plans to proceed with the construction of such barge landing facilities?
5. Have any applications been made under the Navigable Waters Protection Act for approval of plans to construct barge landing facilities in this vicinity by private interests?

Mr. Badanai: 1. Yes. Campbell river and district chamber of commerce village of Campbell River; Mr. H. C. McQuillan.

2. Yes.

3. Yes. A petition dated November 26, 1963, containing 35 names was forwarded to the department by Mrs. Marie Nelson of Campbell River protesting against dredging for a commercial cargo landing.

4. There are no immediate plans for the provision of such facilities.

5. No.

DISPOSITION OF PROPERTY, H.M.C.S. "PREVOST", LONDON, ONT.

Question No. 1,850—**Mr. Irvine:**

1. What disposition is to be made of the buildings and property now occupied by H.M.C.S. *Prevost* in London, Ontario?
2. Are they to be declared surplus and sold and, if so, when?

Answer: 1 and 2. No decision has yet been taken on the future disposition of the property now occupied by H.M.C.S. *Prevost* in London, Ont.

CONTRIBUTIONS TO UNEMPLOYMENT INSURANCE FUND FROM DEDUCTIONS

Question No. 1,851—**Mr. Irvine:**

What were the total contributions from employers, deductions to the unemployment insurance fund, by provinces, in each of the years 1956, 1957, 1958, 1959, 1960, 1961 and 1962?

Mr. MacEachen: Figures representing the total contributions from employers are not available on a provincial basis. However, the following table shows, on a national basis, the amounts contributed by employers.

Questions

Fiscal year ending March 31	Amount of employers contributions
1956	$ 84,863,485.14
1957	94,000,744.67
1958	96,197,704.30
1959	92,743,521.00
1960	114,307,850.50
1961	137,636,480.50
1962	138,894,382.00

POST OFFICE CONSTRUCTION, NOVA SCOTIA

Question No. 1,853—**Mr. Coates:**

1. When will post offices be constructed by the Department of Public Works in all or any of the following communities in Cumberland: Westchester, Advocate Harbour, Collingwood, Joggins, Wallace, Southampton?
2. Will public tenders be called for these projects?
3. Will the post offices be of a standard size, or will they vary; and, if they vary, what will be the size of each?

Mr. Badanai: 1. It is anticipated that tenders will be called early in 1964 for new post offices at Westchester Station, Advocate Harbour, Collingwood Corner, Joggins, Wallace and Southampton provided that suitable sites can be obtained at reasonable costs.

2. Yes.

3. A standard plan for about 480 square feet of space will be used but there may be slight variations for the different localities.

*INCREASED ASSISTANCE TO UNIVERSITIES

Question No. 1,855—**Mr. Fairweather:**

What decision has the government made about increased assistance to universities and colleges as requested in the brief presented to the Prime Minister in May, 1963 by the Canadian universities foundation?

Mr. Davis: The representations are being carefully considered and when a decision is reached, an announcement will be made.

*ASSISTANCE TO UNIVERSITY SERVICE OVERSEAS

Question No. 1,856—**Mr. Fairweather:**

What financial and other assistance is the government prepared to give to the Canadian university service overseas?

Mr. Davis: The administrative assistance that has been extended to the Canadian university service overseas during the past two years will be continued. Any decisions that may be taken concerning additional forms of assistance would be announced in the usual way.

*C.B.C. PROGRAM "NEWS MAGAZINE", APRIL 5, 1963

Question No. 1,858—**Mr. Coates:**

1. Under whose authority was the special hour long production of News Magazine produced for television on April 5, which was viewed in the maritime provinces from 11 to 12 p.m.?

Questions

2. What were the names of the participants in this hour long production?

3. What was the amount paid to Peter Regenstrief for his appearance on this program?

4. Was this program taped either in whole or in part prior to the hour of viewing and if in part, what portions were taped before viewing?

5. How many complaints were lodged with the C.B.C. either by telephone or letter regarding the production of this program?

Mr. Pickersgill: I am informed by the Canadian Broadcasting Corporation as follows:

1. The Canadian Broadcasting Corporation.

2. Reporters: Norman Depoe, King Brown, J. M. Minifie, Paddy Gregg, Ken Mason, Tom Gould, Warner Troyer, Harry Nuttall.

Interviews with: Dalton Camp, Progressive Conservative national organizer; Dan Laing —I think this name is misspelled—national Liberal campaign chairman for Ontario; David Wilson, national Social Credit association; Cliff Scottin, national Democratic party—I am sure this should be New Democratic party.

Discussion panel: Dr. Eugene Forsey of Canadian Labour Congress; Peter Regenstrief, Canadian sociologist from Rochester University; Pierre DeBellefeuille, editor of "Le Magazine Maclean" and Knowlton Nash of C.B.C. as chairman.

3. It is not customary to require the corporation to disclose the fees paid to program participants, because of the competitive business in which it is engaged.

4. Yes in part, Toronto Liberal meeting was taped earlier that evening; Vancouver New Democratic party meeting filmed earlier in the week, (the only party not holding a final rally April 5); filmed interviews with Halifax fishermen; film of rally of Mr. Caouette and filmed reports of general campaigning in Ontario, prairies and British Columbia. The remainder of the presentation was live.

5. Seven telephone calls, no letters.

WAGE RATE FOR CARPENTERS, SHELBURNE-YARMOUTH-CLARE CONSTITUENCY

Question No. 1,859—**Mr. Coates:**

What is the minimum wage rate designated by the Department of Public Works for carpenters employed on federal government projects in the constituency of Shelburne-Yarmouth-Clare?

Mr. Badanai: A minimum rate of $1.45 per hour for carpenters has been designated by the Department of Labour for the constituency of Shelburne-Yarmouth-Clare.

[Mr. Coates.]

DEALINGS BETWEEN EXPORT CREDITS CORP. AND EXPORT FINANCE CORP.

Question No. 1,860—**Mr. Côté (Chicoutimi):**

Does the Export Credits Insurance Corporation or any other agency of the federal government have dealings, directly or indirectly, with the Export Finance Corporation Limited and, if so (a) what is the nature and extent of such dealings (b) where is the head office of the export finance company (c) has the government any financial interest in this company (d) what is the subscribed capital and total assets of this company (e) who are its directors (f) are any shares of this company held by chartered banks and to what extent (g) how does this company finance its business activities (h) are its loans guaranteed by the export credits insurance corporation, and (i) what is the amount of money loaned by the export finance corporation, and at what rate of interest?

Answer: (a) (i) By order in council P.C. 1961-804 the Export Credits Insurance Corporation was authorized to guarantee instruments held by the Export Finance Corporation of Canada, Ltd. up to a maximum of $10 million which could be used at anytime that circumstances affecting the supply of U.S. dollars available to the Export Finance Corporation of Canada, Ltd. might so warrant. This facility has not been used to date.

(ii) On November 1, 1963, the Export Credits Insurance Corporation sold to the Export Finance Corporation of Canada, Ltd. guaranteed instruments having a face value of Can. $10,069,833.90 and U.S. $15,390,331.77.

(b) According to the annual report of the Export Finance Corporation of Canada, Ltd. for the year ended April 30, 1963, its head office address was suite 1314, Prudential building, 4 King street west, Toronto, Ontario.

(c) No.

(d) According to the annual report referred to in (b) above, the subscribed capital amounts to $10 million and the total assets were $95,574,262.88.

(e) According to the annual report for the year ended April 30, 1963 referred to in (b) above the directors are: A. F. Mayne, president; T. A. Boyles, vice president; T. L. Avison, J. W. Aylward, C. B. Clark, W. M. Currie, J. J. Denison, E. R. Ernst, J. N. Gosselin, F. S. Harrison, A. Lacasse, D. C. Langford, L. Lavoie, A. F. Lucas, R. M. MacIntosh, R. Primeau.

(f) The Export Finance Corporation of Canada, Ltd. is a private company and accordingly the Export Credits Insurance Corporation has no official knowledge of the shareholders.

(g) The Export Credits Insurance Corporation has no official knowledge of how Export Finance Corporation of Canada, Ltd. finances its business activities.

(h) The Export Credits Insurance Corporation has not guaranteed any of the loans of the Export Finance Corporation of Canada, Ltd.

(i) According to the annual report referred to in (b) above the value of loans receivable by the Export Finance Corporation of Canada, Ltd. amounted to $93,314,456.58 at April 30, 1963. The corporation has no knowledge of the rate of interest charged on these loans.

OVERHAUL OF UNEMPLOYMENT INSURANCE ACT

Question No. 1,862—**Mr. Irvine:**

Are plans being formulated to institute a complete overhauling of the Unemployment Insurance Act and, if so, when are they to be introduced?

Mr. MacEachen: Recommendations regarding amendments to the Unemployment Insurance Act as contained in the Gill report are presently under consideration and a decision will be reached in due course.

ASSISTANCE TO ASSOCIATION FOR RETARDED CHILDREN

Question No. 1,863—**Mr. Irvine:**

Has the Canadian association for retarded children made representation federally for financial assistance and, if so, what action is contemplated?

Miss LaMarsh: The Canadian association for retarded children is already in receipt of an annual federal grant. A request for an increase in the grant is under consideration.

POST OFFICE CONSTRUCTION, PICTOU CONSTITUENCY

Question No. 1,865—**Mr. MacEwan:**

Is it the intention of the government to build any new post offices in the constituency of Pictou, N.S., in the coming year and, if so, what are the sites for the proposed structures?

Mr. Badanai: Yes, provided suitable sites can be obtained at reasonable costs, small post office buildings will be constructed at Eureka, Hopewell, Merigonish, Scotsburn and Thorburn during the winter months.

ELECTRICAL SERVICE, PIER "C", PICTOU, N.S.

Question No. 1,866—**Mr. MacEwan:**

Have tenders been called for an electrical service for pier "C" at Pictou, N.S. and, if so (a) what were the names of the tenderers and the amounts of their tenders, and (b) to whom will the contract for the work be awarded?

Mr. Badanai: Yes, (a) Universal Electric of Ottawa, Ont., $23,649; C. E. MacCarthy Ltd., Pictou, N.S., $29,950; Ferguson Industries Ltd., Pictou, N.S., $31,762. (b) The award of the contract to the low tenderer has been recommended.

Questions

DEFENCE BUDGETS OF VARIOUS COUNTRIES

Question No. 1,867—**Mr. Matheson:**

For the years 1953 and 1963, what percentage of the gross national product did the defence budget represent in each of the following NATO countries, namely: Belgium, Canada, Denmark, France, Germany, Greece, Italy, Luxembourg, Netherlands, Norway, Portugal, Turkey, United Kingdom, United States?

Answer: Defence spending as a per cent of gross national product

	1953	1961
Belgium	4.4	3.1[2]
Canada	8.0	4.8
Denmark	3.1[1]	2.8[1]
France	n/a	5.5
Germany	n/a	3.7[3]
Greece	5.6	4.7
Italy	n/a	n/a
Luxembourg	n/a	1.1[2]
Netherlands	5.5	n/a
Norway	4.6	3.2
Portugal	3.6	6.2
Turkey	n/a	n/a
United Kingdom	9.6	6.6
United States	13.4	9.7

[1] Defence expenditures on a fiscal year basis.

[2] 1960 is the latest year available.

[3] Includes the Saar.

Sources: Yearbook of National Accounts Statistics, 1960; Yearbook of National Accounts Statistics, 1962; (United Nations, New York).

SHEEP SLAUGHTERED BECAUSE OF SCRAPIE DISEASE

Question No. 1,873—**Mr. Olson:**

Has the Department of Agriculture, health of animals branch, ordered the destruction of any sheep as a result of diagnosing the disease commonly called "Scrapies" during the past ten years and, if so (a) how many sheep have been slaughtered (b) how much has been paid to the sheep breeders whose sheep were slaughtered (c) how many sheep breeders have been paid and how many from each province (d) has any individual sheep breeder been paid more than once and, if so, how much in each case (e) who generally supervises the slaughter (f) does the department or anyone appointed by the department supervise the quarantine of the sheep from the date of positive diagnosis to the date of slaughter (g) how was the evaluation determined for the compensation payment?

Mr. Hays: Yes. In the case of infected flocks, the entire flock must be destroyed, and, in addition to that, movements from that flock during the preceding 42 months, together with their immediate progeny, must be destroyed as contacts to this disease. (a) 13,397; (b) $620,210.37; (c) The number of sheep breeders paid, by provinces, during the past ten years is as follows:

Questions

Province	No. of breeders
Newfoundland	1
Nova Scotia	46
New Brunswick	16
Quebec	5
Ontario	134
Manitoba	4
Saskatchewan	15
Alberta	128
British Columbia	44
Total	393

(d) Yes.

	Date	No. of sheep slaughtered	Compensation paid
Breeder No. 1	Oct./59	1	$ 60.00
	June/60	36	1,015.00
Breeder No. 2	Oct./59	17	2,735.00
	Sept./63	24	2,000.00
Breeder No. 3	Sept./59	43	5,110.00
	Sept./63	11	1,025.00
Breeder No. 4	Sept./54	108	8,100.00
	June/60	501	32,253.00
Breeder No. 5	Sept./59	45	1,717.00
	Aug./63	34	1,410.00
Breeder No. 6	Dec./59	21	1,405.00
	Oct./63	21	1,425.00
Breeder No. 7	Sept./59	308	50,340.00
	July/63	158	24,050.00
Breeder No. 8	Sept./59	8	830.00
	Aug./63	94	8,335.00
Breeder No. 9	Mar./56	654	100,050.00
	Mar./57	44	2,000.00
	July/63	321	41,665.00
Breeder No. 10	June/61	153	3,586.00
	May/62	458	10,371.00
Breeder No. 11	Sept./59	7	182.00
	Sept./63	1	75.00
Breeder No. 12	Oct./59	30	1,690.00
	Aug./63	1	85.00
Breeder No. 13	Sept./59	19	1,490.00
	Sept./63	30	4,035.00

(e) A veterinary officer or officers of the health of animals branch, Department of Agriculture.

(f) Quarantined flocks are under the supervision of an officer or officers of the Department of Agriculture, and all sheep in quarantined flocks are accounted for at the time of slaughter.

(g) By evaluation committees composed of a representative nominated by the Canadian sheep breeders association, a representative of the livestock division, Department of Agriculture, and a representative of the health of animals branch, Department of Agriculture.

SEA CADET ESTABLISHMENT, POINT EDWARD NAVAL BASE

Question No. 1,876—**Mr. Muir (Cape Breton North and Victoria):**

Is the sea cadet training establishment H.M.C.S. *Acadia* to be maintained at the Point Edward naval base and will training of cadets take place there in 1964?

[Mr. Hays.]

Answer: The sea cadet summer training program will be conducted at H.M.C.S. *Cornwallis,* Cornwallis, N.S. in 1964.

PUBLICITY BRANCH, AGRICULTURE DEPARTMENT

Question No. 1,877—**Mr. Olson:**

Does the Department of Agriculture have what might be called a publicity branch or office and, if so, when was it set up?

Mr. Hays: The Department of Agriculture has an information division. This was established in 1910 under the name, at that time, of the publications branch.

PUBLICITY PERSONNEL, AGRICULTURE DEPARTMENT

Question No. 1,878—**Mr. Olson:**

How many persons did the Department of Agriculture employ for the purpose of preparing pamphlets, books, press releases, sound tracts for radio stations, television film strips, etc. in each of the years from 1956 to 1963?

Questions

Mr. Hays: The preparation of public information in the form of books, pamphlets, press releases, sound tracts for radio, television film strips, films, and exhibits is coordinated by the departmental information division. The following staff establishment includes all positions with the prime function of preparing such information and disseminating it to the public. They include positions in the information division excluding the libraries, the consumer and markets information sections of the production and marketing branch, the scientific information section of the research branch, the economics branch and the prairie farm rehabilitation administration.

Year	Professional and semi-professional classes[1]	Clerical and other supporting classes	Total including clerks and other and other classes
1956-57	25	73	98
1957-58	27	73	100
1958-59	28	73	101
1959-60	28	72	100
1960-61	30	70	100
1961-62	29	71	100
1962-63	35	73	108

[1]Chief of division, information officer, editor, administrative officer and technical officer classes.

PUBLICITY EXPENDITURES, AGRICULTURE DEPARTMENT

Question No. 1,879—**Mr. Olson:**

What was the total expenditure for personnel, office space, tape recorders, cameras, paper printing and other equipment and material used for publicity by the Department of Agriculture in each of the years from 1956 to 1963?

Mr. Hays: The following are totals of the major items of expenditure in the departmental information program. They include costs of personnel whose prime function is to prepare information and disseminate it to the public; printing of books, pamphlets, reports, scientific articles, acts and regulations; cameras, films, radio tapes, and other materials, supplies and equipment used in the information program. There have been no direct charges for office space, this facility having been made available by the Department of Public Works. 1956-57, $649,284; 1957-58, $744,713; 1958-59, $752,979; 1959-60, $811,668: 1960-61, $796,162; 1961-62, $840,848; 1962-63, $920,566.

PUBLICITY PRINTING COST, AGRICULTURE DEPARTMENT

Question No. 1,880—**Mr. Olson:**

What was the total cost of books, pamphlets, and other publications for the purpose of publicity prepared and printed by the queen's printer for the Department of Agriculture in each of the years from 1956 to 1963?

Mr. Hays: The total cost to the Department of Agriculture of books, pamphlets and other publications for the department's information program prepared and printed by the queen's printer is as follows: 1956-57, $203,578; 1957-58, $206,840; 1958-59, $213,468; 1959-60, $260,200; 1960-61, $244,650; 1961-62, $251,873; 1962-63, $289,510.

These figures do not include any costs incurred by the queen's printer for departmental publications sold by that agency.

TRANSPORTATION EXPENSES, OFFICE OF AGRICULTURE MINISTER

Question No. 1,881—**Mr. Olson:**

What was the total cost to the Department of Agriculture for transportation provided for the Minister of Agriculture, the minister's executive assistant, and other employees in the minister's office for each of the years from 1956 to 1963?

Mr. Hays:

Fiscal Year	Minister	Executive Assistant	Other Employees	Total
	$	$	$	$
1962-63	708.25	2,564.21	4,291.65	7,564.11
1961-62	5,439.80	5,482.50	2,386.73	13,309.03
1960-61	2,128.65	1,451.65	2,354.60	5,934.90
1959-60	3,302.00*	1,199.79	13.95	4,515.74
1958-59	4,024.00*	229.65	538.15	4,791.80
1957-58	2,999.00*			
1956-57	3,945.00*			

*These amounts appear in the public accounts for the respective years and include other travel expenses as well as transportation since detailed information is not now available.

No details are now available concerning expenses for executive assistant and other employees for the years 1956-57 and 1957-58.

PRESS RELEASES, AGRICULTURE DEPARTMENT

Question No. 1,887—**Mr. Olson:**

How many official press releases were issued by the Department of Agriculture in each of the years from 1956 to 1963 inclusive?

Mr. Hays: The number of official press releases issued by the Department of Agriculture in each of the years from 1956 to 1963 was: 1956, 276 releases; 1957, 310 releases; 1958, 339 releases; 1959, 287 releases; 1960, 324 releases; 1961, 422 releases; 1962, 387 releases 1963 (to Dec. 13), 267 releases.

*C.T.V. NETWORK BROADCAST BY JOHN FISHER

Question No. 1,890—**Mr. Rideout:**

1. Was the board of broadcast governors aware of the television program, on the C.T.V. network, of June 11, 1962, when John Fisher, then special assistant to the then prime minister was interviewed?

2. Was this program additional to the free time awarded to political parties during the course of election campaigns?

3. Were any complaints lodged with the board of broadcast governors either by telephone or letter regarding the production of this program?

Mr. Pickersgill: 1. I am informed that the C.T.V. television network carried two 15 minute political broadcasts on June 11, 1962; one at 7:30 p.m. on behalf of the Liberal party and the other at 7:45 p.m. on behalf of the Progressive Conservative party. During the latter program, Mr. John Fisher, then special assistant to the then prime minister was interviewed.

2. No, the program in question was included in the free time then allocated by the network to political parties.

3. The board received no complaints regarding political programs carried by C.T.V. network on June 11, 1962.

PRAIRIE FARM ASSISTANCE FUND PAYMENTS

Question No. 1,891—**Mr. Francis:**

1. How much money was paid from the prairie farm assistance fund, by province, during the calendar years 1953 to 1963 inclusive?

2. How much money was contributed to the prairie farm assitsance fund, for each of the above years, from consolidated revenue fund and from the one per cent levy on grain marketed?

Mr. Hays: 1. Payments made to farmers under the Prairie Farm Assistance Act are made from the prairie farm emergency fund and records are kept on the basis of the crop year which is from August 1st to July 31st. The amounts paid, by province in each crop year from August 1, 1953 to July 31, 1963 are as follows:—

Crop Year	Manitoba	Saskatchewan	Alberta	British Columbia
	$	$	$	$
1953-54	619,863.25	1,143,177.50	1,007,525.25	Nil
1954-55	5,259,645.50	21,888,528.50	5,781,922.00	83,630.75
1955-56	2,305,548.50	1,290,677.00	1,304,682.25	147,567.00
1956-57	637,310.00	627,083.00	964,456.00	7,479.00
1957-58	1,720,315.00	9,917,414.50	5,806,718.50	374,340.00
1958-59	1,184,970.50	15,026,425.00	7,002,685.50	135,330.50
1959-60	1,926,838.50	14,424,376.00	5,395,541.00	284,802.00
1960-61	666,508.50	4,559,348.50	5,696,956.50	106,302.50
1961-62	7,420,856.50	36,970,775.35	9,678,947.00	Nil
1962-63	815,068.00	6,865,448.50	7,781,239.00	17,574.00
	22,556,924.25	112,713,253.85	50,420,673.00	1,157,025.75

2.

Crop Year	One Per Cent Levy	Consolidated Revenue Fund
1953-54	$7,987,031.77	Nil
1954-55	5,533,119.63	$27,480,607.12
1955-56	6,239,900.77	Nil
1956-57	6,205,862.54	Nil
1957-58	6,114,474.50	11,704,313.50
1958-59	6,674,000.20	16,675,411.30
1959-60	6,326,923.98	15,704,633.52
1960-61	6,941,094.41	4,088,021.59
1961-62	6,839,498.57	47,231,080.28
1962-63	8,614,424.13	6,864,905.37

QUESTIONS PASSED AS ORDERS FOR RETURNS

TRAVELLING EXPENSES OF MINISTERS AND STAFFS

Question No. 1,164—**Mr. McIntosh:**

1. What has been the cost to the federal treasury of all travelling allowances and transportation expenses for each minister travelling outside of Canada between April 22, 1963 and September 29, 1963?

2. What has been the cost to the federal treasury of all travelling allowances and transportation expenses for ministerial staff who accompanied their respective ministers outside Canada between April 22 and September 29, 1963?

3. What was the purpose of each trip?

CITIZENSHIP CERTIFICATES TO CHINESE

Question No. 1,346—**Mr. Howard:**

1. For each month since July 1, 1962, how many, if any, certificates of citizenship have been granted to people of Chinese origin?
2. With respect to the period of time which elapses between the examination for citizenship before a judge and the issuance of the said certificate, what period of time lapsed with respect to each of the said people of Chinese origin expressed by groups in units of weeks and/or years as the case may be?

CAFETERIAS FOR CIVIL SERVANTS

Question No. 1,699—**Mr. Howard:**

1. Do employees in the public service of Canada, otherwise referred to as civil servants, have access to all cafeterias in government buildings?
2. If any employees are excluded from some cafeterias, which cafeterias are involved and, for what reasons?

Return tabled.

ALLOWANCES TO MEMBERS UNDER RETIREMENT ACT

Question No. 1,748—**Mr. Boutin:**

1. How many former members receive an allowance under the Members of Parliament Retiring Allowances Act?
2. What is the name of each of these members?
3. For how many years was each a member?
4. What amount does each receive under the Members of Parliament Retiring Allowances Act?

TEMPORARY GOVERNMENT BUILDINGS, OTTAWA-HULL

Question No. 1,788—**Mr. Latulippe:**

1. How many government buildings in Ottawa-Hull are considered temporary at the present time?
2. What is the approximate value of each of these buildings?
3. When is it expected that the construction of new buildings will be undertaken?

CHECKS ON LETTER CARRIERS

Question No. 1,852—**Mr. Mather:**

1. Is there a Post Office Department directive to the effect that unknown checks or spying be done on letter carriers?
2. Do petty and unintentional discrepancies sometimes result in salary reductions for letters carriers?
3. Has the employee a right of appeal from such punishment?

MAIL ROUTE TENDERS, NEW BRUNSWICK

Question No. 1,857—**Mr. Flemming (Victoria-Carleton):**

1. In connection with the mail route from Woodstock, N.B., to Edmundston, N.B. (a) what date were tenders last called (b) who submitted tenders and at what prices (c) who was successful and at what contract price?
2. In connection with the mail route from McAdam, N.B. to Woodstock, N.B. (a) what date were tenders last called (b) who submitted tenders and at what prices (c) who was successful and at what contract price?

MOTIONS FOR PAPERS

TELECOMMUNICATIONS CONTRACT FOR RADIO STATIONS

Motion No. 179—**Mr. Cowan:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence dated August 15, 1962 to December 1, 1962, between the government of Canada or any minister, department or agency thereof and the Canadian Broadcasting Corporation, the Canadian National Railways, the Canadian Pacific Railways and the Bell Telephone Company of Canada, respecting the contract for telecommunications for the approximately 195 radio stations, the previous ten year contract having been replaced by a new contract effective October 1, 1962.

Mr. McIlraith: Mr. Speaker, this motion calls, among other things, for correspondence between Canadian National Railways and the government of Canada. Succeeding governments have always taken the position that such correspondence should not be produced in the house. I have discussed the matter with the hon. member. The information he is seeking is contained in a letter bearing a date outside the dates embodied in the motion, a joint letter from the two railways. There is no objection to producing that document. If the motion could be withdrawn I would be glad to produce it. I believe it covers the subject matter of the hon. member's motion, and this would not raise any difficult legal questions.

Mr. Speaker: Is the hon. member satisfied to withdraw his motion?

Mr. Cowan: Yes, Mr. Speaker.

Order discharged and motion withdrawn.

CONSTRUCTION IN CANADA OF BAC-111 PLANES

Motion No. 181—**Mr. Gregoire:**

That an order of the house do issue for a copy of all correspondence, telegrams and documents exchanged between the Minister of Industry or any of the officers of his department and the president or any of the officers or employees of the British Aircraft Corporation concerning the total or partial construction of BAC-111's in Canada.

Motion agreed to.

CONSTRUCTION IN CANADA OF CARAVELLE PLANES

Motion No. 182—**Mr. Gregoire:**

That an order of the house do issue for a copy of all correspondence, telegrams or documents exchanged between the Minister of Transport or any of the officers of his department and the president or any of the officers or employees of the Compagnie Sud-Aviation of France concerning the total or partial construction of Caravelles in Canada.

Mr. McIlraith: There is no such correspondence, and I therefore ask that the motion be dropped.

Mr. Gregoire: If there is no correspondence that is all right, Mr. Speaker.

Order discharged and motion withdrawn.

T.C.A.—REPORT RESPECTING NEW AIRCRAFT

Motion No. 183—**Mr. Gregoire:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of the report of the engineers, experts, technicians or advisers of Trans-Canada Air Lines concerning the choice of a new medium range aircraft by Trans-Canada Air Lines.

Mr. McIlraith: Mr. Speaker, this motion asks for a copy of the report of the engineers, experts, technicians and advisers of Trans-Canada Air Lines, which is a document prepared on behalf of Trans-Canada Air Lines for their own board of directors, which is then submitted by the board of directors to the government after it has been dealt with. There has always been an objection taken by succeeding governments to producing this kind of document. Therefore I ask the hon. member to withdraw the motion or otherwise to have it transferred for debate.

[*Translation*]

Mr. Gregoire: Mr. Speaker, on that motion, I would like the house to vote with regard to the tabling of this return.

Mr. Speaker: The hon. member for Lapointe.

Mr. Gregoire: Mr. Speaker, on a point of order. I wonder why the Minister of Transport (Mr. McIlraith) wishes that this return be transferred for debate, if he does not want—

[*Text*]

Mr. Speaker: Order. Under the rules of the house this matter has been transferred for debate. The rules are established by all hon. members, not by the Chair.

TRANSPORT DEPARTMENT—PURCHASE OF PLANES BY T.C.A.

Motion No. 184—**Mr. Gregoire:**

That an order of the house do issue for a copy of all letters, documents and telegrams exchanged between the Minister of Transport or any of the officers or employees of his department and the Canadair company concerning the construction of a new medium range aircraft for Trans-Canada Air Lines.

Motion agreed to.

DE HAVILLAND COMPANY—CONSTRUCTION OF PLANES FOR T.C.A.

Motion No. 185—**Mr. Gregoire:**

That an order of the house do issue for a copy of all letters, documents and telegrams exchanged between the Minister of Transport or any of the officers or employees of his department and the de Havilland Company concerning the construction of a new medium range aircraft for Trans-Canada Air Lines.

Mr. McIlraith: There is no correspondence covered by this motion, Mr. Speaker.

Order discharged and motion withdrawn.

CANADAIR—CONSTRUCTION OF PLANES FOR T.C.A.

Motion No. 186—**Mr. Gregoire:**

That an order of the house do issue for a copy of all letters, documents and telegrams exchanged between the Minister of Industry or any of the officers or employees of his department and the Canadair Company concerning the construction of a new medium range aircraft for Trans-Canada Air Lines.

Mr. Drury: Mr. Speaker, I have spoken to the hon. member for Lapointe, and with the understanding that this does not call for the production of privileged documents we have no objection to the mention.

Mr. Speaker: Subject to the reservation stated by the minister, is it the pleasure of the house to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

DE HAVILLAND COMPANY—CONSTRUCTION OF PLANES FOR T.C.A.

Motion No. 187—**Mr. Gregoire:**

That an order of the house do issue for a copy of all letters, documents and telegrams exchanged between the Minister of Industry or any of the officers or employees of his department and the de Havilland Company concerning the construction of a new medium range aircraft for Trans-Canada Air Lines.

Mr. Drury: I have discussed this motion also with the hon. member for Lapointe, and on the understanding that I will provide him with the details of the Canadian content in the construction of the DC-9 he has agreed to withdraw this motion.

Order discharged and motion withdrawn.

SUD-AVIATION—PRODUCTION OF PLANES IN CANADA

Motion No. 188—**Mr. Gregoire:**

That an order of the house do issue for a copy of all correspondence, telegrams and documents exchanged between the Minister of Industry or any of the officers of his department and the president or any of the officers or employees of the Compagnie Sud-Aviation of France concerning the total or partial production of Caravelles in Canada.

Motion agreed to.

DOUGLAS AIRCRAFT—PRODUCTION OF PLANES IN CANADA

Motion No. 189—**Mr. Gregoire:**

That an order of the house do issue for a copy of all correspondence, telegrams and documents exchanged between the Minister of Industry or any

of the officers of his department and the president or any of the officers or employees of the Douglas Aircraft Company of the United States concerning the total or partial construction of DC9's in Canada.

Motion agreed to.

BRITISH AIRCRAFT CORPORATION—PRODUCTION OF PLANES IN CANADA

Motion No. 190—**Mr. Gregoire:**

That an order of the house do issue for a copy of all correspondence, telegrams and documents exchanged between the Minister of Transport or any of the officers of his department and the president or any of the officers or employees of the British Aircraft Corporation concerning the total or partial construction of BAC-111's in Canada.

Mr. McIlraith: There is no such correspondence as is asked for in this motion.

Order discharged and motion withdrawn.

DOUGLAS AIRCRAFT CO.—PRODUCTION OF PLANES IN CANADA

Motion No. 191—**Mr. Gregoire:**

That an order of the house do issue for a copy of all correspondence, telegrams and documents exchanged between the Minister of Transport or any of the officers of his department and the president or any of the officers or employees of the Douglas Aircraft Company of the United States concerning the total or partial construction of DC9's in Canada.

Mr. McIlraith: There is no such correspondence as is asked for in this motion.

Order discharged and motion withdrawn.

CONSTRUCTION OF AIRCRAFT FOR T.C.A.

Motion No. 192—**Mr. Gregoire:**

That an order of the house do issue for a copy of all correspondence, telegrams or documents exchanged between the Minister of Transport or any of the officers of his department and the president or any of the officers or employees of Trans-Canada Air Lines concerning the total or partial construction of a new medium range aircraft for Trans-Canada Air Lines.

Mr. McIlraith: For the same reasons that I indicated in connection with notice of motion No. 183 I must ask that this notice of motion be transferred for debate.

Mr. Speaker: Transferred for debate.

T.C.A.—CHOICE OF NEW AIRCRAFT

Motion No. 193—**Mr. Gregoire:**

That an order of the house do issue for a copy of all correspondence, telegrams or documents exchanged between the Minister of Transport or any of the officers of his department and the president or any of the officers or employees of Trans-Canada Air Lines concerning the choice of a new medium range aircraft by Trans-Canada Air Lines.

Mr. McIlraith: For the same reason I must ask that this motion be transferred for debate.

Mr. Speaker: Transferred for debate.

COMPENSATION FOR SHEEP DESTROYED

Motion No. 194—**Mr. Madill:**

That an order of the house do issue for a copy of all statements or records containing names of all owners or other persons to whom compensation has been paid since the 21st of April, 1963, for sheep suffering from scrapies which had to be destroyed, and the amounts paid respectively to each of such owners of other persons.

Mr. Beer: This notice of motion for the production of papers, No. 194, by the hon. member for Dufferin-Simcoe requests information with respect to compensation paid to owners of sheep which were destroyed on account of scrapie since April 21, 1963. An answer has been given today to question No. 1,873 by the hon. member for Medicine Hat, giving information with respect to scrapie compensation payments over the last 10 years. The answer to question No. 1,873 does not, however, list the names of the individual farmers to whom compensation has been paid.

It has not been the practice to disclose publicly the names of people who have been ordered to have animals slaughtered under various disease eradication programs, since it could be considered by some as a reflection on the health status of their herds and because the circumstances in many cases are ones over which they have no control.

While there are these reservations about the desirability of disclosing names of people, I recognize that public expenditures are involved and, if the hon. member insists, the information will be provided in the form he has indicated in his motion. However, the hon. member for Dufferin-Simcoe might wish to consult the information which has now been provided in answer to question No. 1,873 to determine whether this contains information of the type which he requires. In the meantime, I suggest the hon. member may wish to allow his motion to stand, or on that basis he might wish to withdraw his motion.

Mr. Diefenbaker: It is a principle of responsible government that information such as this should be provided.

Mr. Speaker: I regret that I did not hear the Leader of the Opposition; another hon. gentleman was speaking at the same time.

Mr. Diefenbaker: I stated that it is a principle of responsible government that this information should be provided. Indeed, it is provided each year in the public accounts and in the circumstances I would ask that the motion be called in the regular way.

Mr. Pickersgill: Transferred for debate.

Mr. Beer: It is my opinion that the hon. member for Dufferin-Simcoe consented to withdraw.

Some hon. Members: No.

Mr. Speaker: Under the rules of the house I must put the motion.

Mr. Beer: I ask that the motion stand.

Mr. Speaker: Transferred for debate.

Mr. Diefenbaker: Mr. Speaker, there was no request that it stand for debate. There was a request that it stand, and we have strong objections to this being stood in view of the attitude taken by the Minister of Agriculture. I ask you to call the yeas and the nays.

Mr. Speaker: I think I should point out to the house the wording of standing order No. 47, which reads as follows:

> Notices of motions for the production of papers shall be placed on the order paper under the heading "Notices of motions for the production of papers". All such notices, when called, shall be forthwith disposed of; but if on any such motion a debate be desired by the member proposing it or by a minister of the crown, the motion will be transferred by the clerk to the order of "Notices of motions (papers)".

Under the circumstances, we have had a request to transfer the motion for debate by the Secretary of State—

Mr. Pickersgill: Mr. Speaker, I would be quite prepared either to allow the motion to stand or to have it transferred for debate, whichever course appealed to the hon. member who is moving the motion.

Mr. Aiken: Mr. Speaker, you were on your feet putting the motion, and I think we should proceed once the motion is put.

Mr. Pearson: The motion has not been put.

Mr. Speaker: I must reach a decision. There is a request from the Secretary of State to transfer it for debate; consequently the motion is transferred for debate.

PRAIRIE AIR SERVICE—TRANSFER OF SOUTHERN ROUTE

Motion No. 195—**Mr. Olson:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, telegrams, or documents exchanged between the Minister of Transport or any of the officers of his department, the president or any of the employees of Trans-Canada Air Lines, and any officers or employees of TransAir Limited respecting the transfer of the southern prairie route between, Regina and Calgary generally; and specifically all correspondence, telegrams, documents, agreements, etc., respecting transfer of aircraft equipment and other operating facilities from Trans-Canada Air Lines to TransAir Limited.

He said: I ask that this motion stand.

Motion stands.

[Mr. Beer.]

QUESTIONNAIRES TO CANADIAN SEAMEN

Motion No. 196—**Mr. Diefenbaker:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all questionnaires that have been sent or delivered to seamen employed on the Canadian side of the great lakes by the board of trustees of the Canadian maritime unions or by a public relations official or person on behalf of the said board wherein information regarding the personal affairs, employment, etc., of the seamen is requested.

Motion agreed to.

TRANSFER OF RURAL MAIL CONTRACT, NORWOOD, ONT.

Motion No. 197—**Mr. Webb:**

That an order of the house do issue for a copy of all correspondence, telegrams or documents exchanged between the Postmaster General or any of the officers of his department and any other person concerning the transfer of the mail contract for rural route No. 3, Norwood, Ontario, during the year 1963.

Mr. Denis: I have no objection to the adoption of this motion and the tabling of all official correspondence.

Motion agreed to.

TRANSFER OF POST OFFICE, BIRDSALL, ONT.

Motion No. 198—**Mr. Webb:**

That an order of the house do issue for a copy of all correspondence, telegrams or documents exchanged between the Postmaster General or any of the officers of his department and any other person concerning the transfer of the post office at Birdsall, Ontario, in the year 1963.

Mr. Denis: There is no objection, Mr. Speaker, to the adoption of this motion and the tabling of all official correspondence.

Mr. Rheaume: Could we have an explanation of what the Postmaster General means by "official correspondence"?

Mr. Speaker: At this time there is no debate under the rules of the house.

Motion agreed to.

ESTABLISHMENT OF SECONDARY INDUSTRIES, QUEBEC

Motion No. 199—**Mr. Langlois:**

That an humble address be presented to His Excellency praying that he will clause to be laid before this house a copy of all telegrams, letters and other correspondence exchanged between different mining companies situated in the Thetford Mines, Black Lake and Coleraine municipalities, and the Minister of Trade and Commerce, his deputy minister or assistant since 1950 concerning the establishment of secondary industries or manufactures in the said localities.

[*Translation*]

Mr. Pepin: Mr. Speaker, there has been no correspondence with those municipalities.

[*Text*]

Mr. Langlois: I withdraw my motion.

Order discharged and motion withdrawn.

ESTABLISHMENT OF SECONDARY INDUSTRIES, QUEBEC

Motion No. 200—**Mr. Langlois:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all telegrams, letters and other correspondence exchanged between the municipalities of Thetford Mines, Black Lake and Coleraine and the Minister of Trade and Commerce, his deputy minister or assistant since 1950 concerning the establishment of secondary industries or manufactures in the said localities.

He said: I withdraw this motion also.

Order discharged and motion withdrawn.

CORRESPONDENCE WITH MARITIME LUMBER BUREAU

Motion No. 201—**Mr. Coates:**

That an order of the house do issue for a copy of all correspondence received by the minister or any of the officials of the Department of Finance, from the maritime lumber bureau of Amherst, N.S., as well as copies of the replies forwarded by the minister, or his officials, to the maritime lumber bureau since September 1, 1963.

Motion agreed to.

CORRESPONDENCE WITH MARITIME LUMBER BUREAU

Motion No. 202—**Mr. Kennedy:**

That an order of the house do issue for a copy of all correspondence received by the minister, or any of the officials of the Department of Forestry, from the maritime lumber bureau of Amherst, N.S., as well as copies of the replies forwarded by the minister, or his officials, to the maritime lumber bureau since September 1, 1963.

Motion agreed to.

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I rise on a question of privilege. The Secretary of State (Mr. Pickersgill) did not respect this morning the undertaking he took last Wednesday before the house when he stated, as reported on page 5695 of *Hansard*:

If that is agreeable to the hon. gentleman, we will not transfer these for debate—

Now, three motions were transferred for debate this morning whereas we would have liked motion No. 183 to be put to a vote.

[*Text*]

Hon. J. W. Pickersgill (Secretary of State): I am afraid I did not hear the page reference given by the hon. gentleman.

Mr. Gregoire: It is page 6024 in the French version.

Mr. Pickersgill: I do not happen to have a copy of *Hansard* in French. Perhaps the hon. gentleman could assist me by telling me where it is in the English copy.

Mr. Gregoire: I do not have an English copy.

Mr. Pickersgill: Perhaps, sir, the hon. member and I might agree to defer this matter until we can get our documents together. I certainly want to say at once that I am not conscious—

Some hon. Members: Oh, oh.

Mr. Pickersgill: —of having said that. However, there were one or two things I said last night that perhaps this morning I would not have said in quite the same way. I assure the hon. gentleman I had no intention whatever of giving the impression—

Mr. Gregoire: I am speaking of the commitment of the Secretary of State when he said that.

Mr. Pickersgill: I have found the passage to which the hon. member refers. Apparently it is at page 5695, and the amendment reads:

Mr. Speaker, the position I take, and the position I stand on, is that there must be a conference between the two ministers, and an endeavour will be made by the government to give all the information that is properly producible under the rules.

We have done that:

If that is acceptable to the hon. gentleman we will not transfer these for debate—

That is, all the items that are producible under the rules, and the only motions that were transferred for debate this morning were those asking for information that is not producible under the rules because it has always been understood to be privileged. It does not seem to me, therefore, that the hon. gentleman has any question of privilege on this matter.

Mr. Gregoire: Mr. Speaker—

Mr. Speaker: Order. I believe the discussion is complete on this matter, and there is no question of privilege.

Mr. Robert C. Coates (Cumberland): Mr. Speaker, I draw attention to the fact that the Minister of Veterans Affairs has refused to answer question No. 1,558 which has stood on the order paper since October 30, although he has informed me of the answer, which indicates that he has awarded the contract in question to someone other than the low bidder and has refused to reaward it to the low bidder as I requested.

Some hon. Members: Shame.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to reserve my right to speak on the question of privilege relating to the statement made by the Secretary of State, when he said that the motions that were transferred today were recognized as asking for information to which the house is not entitled. I am going to come back to that because under the ruling made earlier today when we asked for the names of those to whom payments had been made, if the government can get away from answering by simply saying the motion is transferred for debate then this house might as well close down.

Mr. Pickersgill: I am quite sure the hon. gentleman did not wish to misinterpret what I said. I was referring to certain motions that had been made by the hon. member for Lapointe, and I was not making any general reference.

Mr. Diefenbaker: You said all motions.

Mr. Pickersgill: No, Mr. Speaker; I think it is generally understood in the house that the member who is speaking is supposed to know what he intended to say, at any rate.

Mr. Diefenbaker: If he is conscious.

Mr. Pickersgill: Both the right hon. gentleman and I have occasionally had slips of the tongue in this house. I do not think we ought to try to make anything of that. What I intended to say was this, that those motions of the hon. member for Lapointe which were transferred for debate were motions which asked for documents which are normally not produced by a government.

In so far as the motion of the hon. member for Dufferin-Simcoe is concerned, the hon. member for Peel pointed out that that information was producible and would be produced if it were insisted upon. This will be found in his statement. These were payments out of public funds, and if there was any insistance the names of those persons to whom they were paid be given to the house, we were prepared to give them. He wanted to have the matter transferred for debate because he wanted to debate the request since he did not think it would be fair to give these names to the public. This was the reason for the transfer. I may say, sir, that does not deny the house anything, because the Minister of Agriculture's estimates will be up today or tomorrow and the whole matter of these payments to the sheep farmers can be debated on those estimates.

Mr. Diefenbaker: I am not going to continue the argument, except to say that if the government is asked a question for information that is produceable and should be answered, and takes recourse in transferring the motion, then this house might as well close down because we will never get the answers to the questions that we ask. If I misinterpreted the Secretary of State I can only say I understood him to say all the motions were transferred today. He has made it perfectly clear that he did not have the motion of the hon. member for Dufferin-Simcoe in mind, and when the Minister of Agriculture gets to his estimates he will have some opportunity to answer the questions that have been denied the house in the proper way.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Mr. Speaker, now I want to ask the Minister of Finance, in view of the continued rise in the cost of living what action is the government going to take in this regard and—

Hon. Roger Teillet (Minister of Veterans Affairs): Mr. Speaker—

Mr. Diefenbaker: —I ask him whether or not—

Mr. Teillet: Mr. Speaker—

Mr. Diefenbaker: —the increase in the amount of Canadian money—

Mr. Teillet: There is a question of privilege before the house, I believe.

Mr. Speaker: May I point out I did not know that the minister wished to raise a question of privilege. Is it a question of privilege that the minister wants to raise?

Mr. Teillet: I did not raise the question of privilege. I believe one of the hon. members from the other side did.

Mr. Speaker: May I suggest, if it is not a question of privilege, that we allow the right hon. Leader of the Opposition to finish his question.

Mr. Teillet: I understood the hon. member for Cumberland (Mr. Coates) to have raised the question of privilege. I attempted to get up in reply, and I was cut off by the Leader of the Opposition with another question.

Mr. Diefenbaker: Mr. Speaker, I immediately rise to say you directed me. I do not take my direction from the Minister of Veterans Affairs.

Mr. Teillet: May I still pose the question, was that a question of privilege or was it not? Will the hon. member tell the house—

Mr. MacInnis: It is up to the Speaker.

Mr. Speaker: The hon. member for Cumberland rose on a question of privilege—

Some hon. Members: Sit down.

Mr. Stefanson: He has no manners. He doesn't know any better.

Mr. Speaker: Order, please. I am sure we will make much faster progress if we now allow the minister to reply, if he wants to, on the particular question of privilege raised by the hon. member for Cumberland and, if I may, I will ask the Leader of the Opposition to suspend his question for a short time.

Mr. Teillet: Mr. Speaker, the answer to the hon. gentleman is that he knows perfectly well there were technical difficulties with both the contractors involved. He has been supplied with all the information by officials of the department, and I have attempted to reach him myself in the last few days in order to request from him what his conclusions were after discussing it with the officials. I will be glad to discuss this with the hon. gentleman at any time.

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I rise on a question of privilege. Is it the intention of the government house leader to reply to starred question 1,806 this week of next Monday?

Mr. Pearson: That is not a question of privilege.

[*Later:*]

[*Translation*]

Mr. Yvon Dupuis (Parliamentary Secretary to Secretary of State): Mr. Speaker, I made a mistake when I asked a while ago that question No. 1,778 be made an order for return. I would like this order to be withdrawn and the question to remain on the order paper.

[*Text*]

Mr. Speaker: Does the house give consent?

Some hon. Members: Agreed.

THE CANADIAN ECONOMY

STEPS TO MEET REPORTED INCREASE IN COST OF LIVING

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I started off to ask the Minister of Finance a question, and it has now got into serial form. It has to do with the very serious increase in the cost of living. I want to ask the minister what action the government intends to take in this regard, and whether the increase in the Canadian money supply in total currency in chartered bank accounts which, since February 24 has increased by $1,345,000,000 has anything to do with it and is a contributing factor to this very serious increase in the cost of living.

Inquiries of the Ministry

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, the Leader of the Opposition has raised a serious question and I would like to be allowed to give a full reply because of the implications that it has.

First of all I will deal with the point about monetary policy. As I have already informed the house, the monetary policy followed in Canada is that which the government and the Bank of Canada consider to be in the best interests of the Canadian economy. This policy is directed and has, I think, been successfully directed to encouraging domestic economic expansion and achieving balance in our international transactions.

Under the policy which has been followed, the money supply in Canada has increased to meet the growing needs of an expanding economy. During the 12 month period ending in November the total currency and bank deposits in Canada, that is the total money supply, has increased by 8.6 per cent, while the privately held money supply has increased by 6.9 per cent. It may be of interest to hon. members to point out that the corresponding increases for the United States over the same period were 7.3 per cent for the total of currency and bank deposits and 8.4 per cent for the privately held money supply, so defined.

The increase in the total currency and bank deposits in Canada over the past two years has amounted to an aggregate figure of 12.9 per cent, which compares with a 15.0 per cent increase in the United States.

In judging the appropriateness of developments in the money supply one must of course take into account a wide variety of factors, including the movement of employment and production, the amount of unused capacity, the state of the balance of payments and so on. The movement of prices is clearly an object of continuous concern, and the monetary authorities must always be alert to upward pressures on the cost of living.

In this respect the recent Canadian experience has compared favourably with most other countries, particularly when account is taken of the devaluation of the Canadian dollar which, though it was helpful in restoring our international competitive position, inevitably had the effect of raising some import prices. Over the recent 12 month period for which information is available the consumer price index rose by 1.6 per cent in Canada, which compares with 1.1 per cent in the United States, 1.3 per cent in the United Kingdom, 6.4 per cent in France and 2.0 per cent in Germany.

Mr. Diefenbaker: Mr. Speaker, the minister had no notice of the question but of course he realized this was a matter that would be

raised. I now ask him this, and I am quoting from the New York *Times*. Have government treasury officials admitted that the currency expansion in Canada is a definite factor of monetary policy, and that the reason for the increase is the agreement that was entered into, a gentlemen's agreement with the United States, to hold down interest rates closely to United States levels, and that that agreement with the United States is linked with the billion dollar increase in the Canadian money supply?

Mr. Gordon: Mr. Speaker, I was ready for the question last week because the article to which the Leader of the Opposition refers appeared in the New York *Times* of December 8. I have given an answer which I think deals completely with the article and the points made in the article. I do not think there is anything more to be added that would be helpful.

Mr. Diefenbaker: Mr. Speaker, I rise to ask a supplementary question. Is it a fact that the Canadian government has a gentlemen's agreement with the United States; that, when Canada was granted exemption from the proposed interest equalization tax on new capital issues, the government authorities entered into a gentlemen's agreement to maintain Canadian interest rates at the United States level so there would be no undue incentive for a heavy inflow of United States dollars into this country?

Mr. Gordon: On the contrary, Mr. Speaker. It has been the policy of the government and the Bank of Canada, working together, to keep interest rates in Canada at the lowest possible level, and I hope we will be able to continue to do this. The spread between interest rates in Canada and the United States has been narrowed substantially and it will be the policy of the government to keep that spread as narrow as we can in the months ahead.

Mr. Diefenbaker: Mr. Speaker, that still is not an answer. Is there such a gentlemen's agreement?

Mr. Gordon: Mr. Speaker, I started my last answer by saying "on the contrary". If I can put it in more simple language and more directly, the answer is no.

Mr. Diefenbaker: That is it. Good.

Mr. Pearson: Very disappointing, is it not?

[*Later:*]

[*Translation*]

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, following the questions asked by the right hon. Leader of the Opposition, I wish to direct a supplementary question to the Minister of Finance. Can he tell us why there is such an increase in the money supply and why inflation has reached such a level in Canada, even though Social Credit is not in power and the Liberals expressed such fears about inflation?

[*Text*]

Mr. Gordon: Perhaps it is one of the reasons, Mr. Speaker. I do not wish to say anything that would be offensive to my hon. friend, but I am surprised that he has asked the question. I thought he would perhaps compliment the government.

Mr. Diefenbaker: Debt free money.

[*Later:*]

Mr. Diefenbaker: Mr. Speaker, I should like to direct a further question to the Minister of Finance. In the answer he gave a moment ago to the hon. member for Chicoutimi he said he could not understand why that hon. member would ask the question regarding an increase in credit, and that he should be approving it. What did he mean by that? Is this the implementation of the action of the government members in voting in November, 1962 for debt free money as advocated by Social Credit?

BREAD

REQUEST FOR INQUIRY INTO PRICE INCREASES

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to ask a supplementary question which I would have directed to the Minister of Justice, but in his absence I will direct it to the Prime Minister. In view of the report in today's *Globe and Mail* that the price of bread has been increased by one cent or more across Ontario, would the Prime Minister request the Minister of Justice to have the appropriate officials of his department investigate the matter? It is a well known fact that bakeries tender on contracts for government institutions at 12½ cents or 13 cents a loaf.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I will discuss the matter with the Minister of Justice, who will be here tomorrow.

TRANSPORT

RAILWAY BRANCH LINES—FREEZE ON APPLICATIONS FOR ABANDONMENT

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the

Minister of Transport. Could the house have the assurance that the present freeze on applications for rail line abandonment will be continued until the legislation which is contemplated to deal with the recommendations of the MacPherson commission is before the house at the next session?

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, the arrangement with the railways was made on the expectation that the legislation would be dealt with before the end of this year, but there is no reason to anticipate any difficulty whatever in having the freeze continued until the legislation is dealt with in the early part of next year.

Mr. Douglas: A supplementary question. In view of the fact that this legislation may take some time and although the minister does not contemplate any difficulty, am I to take it that the minister is giving the house the assurance that the government will take steps to see that none of these applications are proceeded with until the legislation is dealt with?

Mr. McIlraith: Yes, Mr. Speaker, and I was also seeking to point out that there was no ground for the fears inherent in the hon. member's question.

FINANCE

REPORTED INTENTION TO ESTABLISH NEW BANK

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is for the Minister of Finance. Has the minister received a petition from a certain group of individuals who are proposing to establish a new bank that is to be known as the bank of western Canada?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I did have a visit from Mr. James Coyne and Mr. Stevens—

Mr. Fisher: Who?

Mr. Gordon: I think the name was Stevens—some days ago, last week I believe, saying that they were contemplating making an application for a charter for a new Canadian bank. They have not made an application. When they do I am sure it will be done in the usual way and it will be dealt with according to the procedures laid down in the Bank Act.

BRIDGES

THREE RIVERS—COST OF PROTECTION OF NAVIGATION

On the orders of the day:

Hon. Leon Balcer (Three Rivers): Mr. Speaker, I should like to direct a question to the Minister of Transport. I wonder whether the minister can supply the house with the details of the fantastic, unrealistic and ridiculous estimate of $62 million conceived by his department for remedial works made necessary by the construction of a bridge at Three Rivers.

Hon. G. J. McIlraith (Minister of Transport): I think that could be done, Mr. Speaker. I think the hon. member as the former minister is probably familiar with the situation as it was indicated in the files in the early part of this year.

Mr. Balcer: It was an amount of $7 million.

LABOUR RELATIONS

B.C. FISHERMEN'S STRIKE—APPOINTMENT OF NEW ARBITRATOR

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I have a question for the Minister of Fisheries, and may I precede it by saying I know the minister has had an almost minute by minute interest in this matter. I should like to ask him whether he has yet been able to get in touch with Hon. Mr. Peterson, minister of labour for British Columbia, and whether any decision has been reached about appointing an arbitrator to replace Mr. Justice Dryer?

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, I was able to get in touch with Mr. Peterson on Monday, and yesterday at noon we made the announcement that Mr. Justice Nathan Nemetz had agreed to act as arbitrator to replace Mr. Justice Dryer.

DEFENCE PRODUCTION

CALGARY—CONTRACT FOR REPAIR OF GOVERNMENT AIRCRAFT

On the orders of the day:

Hon. D. S. Harkness (Calgary North): Mr. Speaker, I should like to ask the Minister of Industry if he has an answer to the question I asked him yesterday about the C.P.A. repair facilities at Calgary.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, may I say in answer to yesterday's question that the contract with C.P.A. in Calgary has not been cancelled, nor has the company been notified yet that it will be.

Mr. Harkness: A supplementary question. Does the government intend to continue to give contracts to this company for the coming year when the present one runs out at the end of March?

Mr. Drury: The answer to that, Mr. Speaker, is no.

Inquiries of the Ministry

Mr. Harkness: May I ask the minister whether he is aware that over 400 people will lose their jobs as a result of this. What arrangements, if any, are being made to provide alternative employment for these men? It is the same situation as the repair facilities at Winnipeg, except this is a much more serious case because they are being closed out entirely.

Mr. Drury: Mr. Speaker, the reason for the delay in notification is an endeavour to work out in conjunction with the company an adequate, satisfactory method of phasing out the work and to ensure that there will be alternative employment for those who are being released from the C.P.A. facility.

Mr. Harkness: May I ask the minister where or how this alternative employment is to be supplied? Are these men to be moved to other repair shops or are jobs of some other type to be provided for them?

Mr. Drury: Mr. Speaker, if I could provide the answer to that we would not need future discussions.

QUEBEC—COMPLAINTS RESPECTING TREATMENT OF ARSENAL EMPLOYEES

On the orders of the day:

[*Translation*]

Mr. Robert Beaule (Quebec East): Mr. Speaker, I would have liked to direct a question to the Minister of Industry and defence production, but since he is not here, I shall direct it to the Associate Minister of National Defence.

As regards the unfair position of the employees of the Valcartier arsenal, where certain materials have seemingly gone out for purposes other than national defence, does the minister intend to order that an investigation be made by the Royal Canadian Mounted Police so as to clarify this situation?

Hon. Lucien Cardin (Associate Minister of National Defence): All I can do is to take this question as notice.

Mr. Beaule: Mr. Speaker, I have already directed that question to the Minister of Industry, but his answer was not satisfactory. I ask that an investigation be made in that regard.

Mr. Speaker, since the Minister of Industry is in the house, I wish now to put to him the question which I directed a while ago to the Associate Minister of National Defence concerning the unfair situation of the personnel at the Valcartier arsenal. It seems that some materials have disappeared at the arsenal and are not used for national defence purposes. Could the Minister of Industry inform the house whether he will launch an investigation through the R.C.M.P. concerning this matter.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I will be happy to inquire into this.

[*Text*]

HEALTH AND WELFARE

PUBLICITY RESPECTING DANGERS FROM SMOKING

On the orders of the day:

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, I have a question for the Minister of National Health and Welfare but in her absence I will address it to her parliamentary secretary. Has the department published any pamphlets or brochures outlining the dangers of cigarette smoking and its link with cancer? If not, does the department propose to do so?

Mr. Stanley Haidasz (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I should like to take this question as notice.

Mr. Fisher: One o'clock.

Mr. Speaker: Is it the desire of all hon. members that I call orders of the day at this time?

Mr. Pigeon: I have a question.

Mr. Pickersgill: Mr. Speaker, you could fail to see the clock for a few minutes so that hon. members could ask their questions, we could then get on with the ordinary business.

Mr. Howard: On a question of order, Mr. Speaker, perhaps you would call it one o'clock.

Mr. Speaker: Is it the desire of hon. members that I see the clock or do not see the clock?

Mr. Howard: One o'clock.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

REDISTRIBUTION

REQUEST FOR INTRODUCTION OF LEGISLATION THIS SESSION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the Secretary of State regarding the first reading of the proposed bill to

provide for the establishment of electoral boundaries commissions. Perhaps I might be permitted to base my question on an incomplete sentence uttered the other day by the Leader of the Opposition, the end of which I am sure we would all like to have heard. Discussing this matter and indicating why he had objected earlier to the bill being given first reading he said, as found on page 5940 of *Hansard*:

> There is no reason at all why, before the end of this session, which I hope is not too far removed—

At that point he was interrupted by "hear, hear" from the Secretary of State and so we never got the rest of the sentence. It seemed to me that the logical conclusion to the sentence should be that there was no reason why before the end of the session we could not have the introduction of the bill, not for the purpose of proceeding with it but so that we could see it between now and the next session. I wonder whether that is the situation, and if the Secretary of State would make whatever arrangements are necessary so that first reading may be given to the bill before the session ends.

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, although the hon. gentleman is a great authority on the rules, I am not quite sure that this question is the kind that is in order on the orders of the day, but we will not dispute that. I might say that at the time the bill was not given first reading I said I would have some further conversations, and I meant through the usual channels outside the house, with representatives of the other parties. I intend to do that. I should like to do so, and I would prefer not to answer the question until I have done so.

SHIPPING

INQUIRY AS TO REMOVAL OF COASTGUARD SHIP "NANOOK"

On the orders of the day:

Mr. H. Russell MacEwan (Pictou): Mr. Speaker, I have a question for the Minister of Transport with regard to the answer he gave me yesterday as to the coastguard ship *Nanook*. In his answer he stated he would give consideration to leaving the ship at Pictou until a decision was made. Does he believe that due consideration has been given, in that the ship is under orders to leave the port today and may even now be leaving that beautiful harbour?

Hon. G. J. McIlraith (Minister of Transport): Yes, Mr. Speaker, I was able to have this matter considered immediately after the question was asked yesterday, and in addition to what I said then I should like to expand my reply as to the situation. It is perfectly clear now that the ship will not be required in service, since there is a shore installation at the point it served that is quite adequate for the needs for next season and the foreseeable future. That being so, it was decided it was better to take the ship back to the marine agency at Halifax, where we do not have to pay for storage and thus save the storage charges that were being incurred.

Mr. MacEwan: Can the minister tell us whether the government has any plans for alternative employment for the shipyard since it is not proceeding with work on this ship?

Mr. McIlraith: There is a tender call going out tomorrow for some work on the *Auk*, and I hope the pencils in that yard will be very sharp in completing the tender.

ROYAL CANADIAN AIR FORCE

PENHOLD, ALTA.—REQUEST THAT STATION PERSONNEL BE NOT REDUCED

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Transport. In view of the decision not to allow the Penhold air base to be used for jet training, have any alternative plans been made so that the personnel on this station will not be reduced?

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, I am not sure that this is a question for me. I am not able to give the Leader of the Opposition a full answer, but I can say that a great deal of discussion is going on between the Department of Transport and the Department of National Defence at this time with a view to trying to meet that kind of problem.

UNEMPLOYMENT INSURANCE

GILL REPORT—CONSIDERATION BY HOUSE COMMITTEE

On the orders of the day:

Mr. Raymond Langlois (Megantic): Mr. Speaker, I have a question for the Minister of Labour concerning the Gill report. Is it the minister's intention at the next session to have a committee formed so that we may study the report and discuss it with the officials who may be called before the committee?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, it is quite hard to forecast, but I would presume that if a bill is presented to the house it would be sent to a committee at the appropriate stage.

Mr. Langlois: Does the minister intend to send it to a committee as soon as possible after the beginning of the next session?

Mr. MacEachen: As soon as possible, Mr. Speaker.

NATIONAL DEFENCE

NUCLEAR WEAPONS—NEGOTIATIONS WITH U.S. TO CANCEL AGREEMENT

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I wish to direct a question to the Prime Minister. Does the government intend to initiate talks with the United States in order to put an end to the agreement concerning the storage of American nuclear weapons in Canada?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, no such talks are presently contemplated.

BUSINESS OF THE HOUSE

REQUEST FOR OPPORTUNITY FOR VOTE ON BILL NO. S-15

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Prime Minister. In view of the fact that some of his supporters talked out Bill No. S-15 relating to the "Back to the Bible" broadcasts, could he arrange for time prior to adjournment in which a vote could be taken on this bill?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, it was not only government supporters who expressed some interest in this bill yesterday, with the result it was not proceeded with. I do not believe that the circumstances surrounding the consideration of this bill yesterday would justify the request for any such special arrangements this session.

Mr. Aiken: Will the Prime Minister take into account that discrimination against a religious group is involved?

Mr. Pearson: The hon. gentleman was kind enough to give me notice of his question, so I have had an opportunity to look into the matter. I do not feel myself that the question of discrimination and religious freedom was involved in the action taken yesterday.

ROYAL CANADIAN NAVY

INQUIRY AS TO INVESTIGATION INTO PLOMMER CHARGES

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, I have sent the Associate Minister of National Defence notice of this question. Will the minister inform the house if the charges of Commodore Plommer concerning the administration of the Royal Canadian Navy have been the subject of an independent investigation? If not, is such an investigation planned?

Hon. Lucien Cardin (Associate Minister of National Defence): Mr. Speaker, I think the hon. member knows that in 1962, when Commodore Plommer first voiced his grievances, a complete inquiry was made into the grievances and a report was made to the then minister of national defence. Subsequently, as the result of an article that appeared in one of our Canadian magazines, the special committee on national defence had Commodore Plommer as a witness and all questions pertaining to the charges were investigated. At the same time the members of the committee were able to question the chief of naval staff about these charges. As the hon. member knows, the special committee on defence are now preparing a report, and we are going to wait for this report before making any decisions about further investigation into this matter.

HOUSING

INCREASED PRICES RESULTING FROM WINTER CONSTRUCTION BONUS

On the orders of the day:

Mr. Georges Valade (St. Mary): Mr. Speaker, my question is directed to the Minister of Labour. I should like to ask the Minister of Labour whether he has been made aware of the fact that in order to benefit from the $500 bonus, some contractors have increased the prices of their houses by $800 to $1,000 a house? If he is not aware of this, would he inquire in order to stop this kind of speculation?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I have not been aware of the situation but I will make inquiries.

AGRICULTURE

REQUEST FOR REINSTATEMENT OF COLD STORAGE SUBVENTION

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, on October 28, because of the absence at the

time of the Minister of Agriculture, I directed a question to the Prime Minister. That situation also prevails today. The question I asked the Prime Minister on October 28 was whether the government were going to reinstitute the subventions under the Cold Storage Act and, if so, when. At that time the Prime Minister said he would look into the matter, and I would ask him whether he is in a position to answer now.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am sorry but I am not able to give an answer. I apologize for the delay and I will discuss the matter at once with the Minister of Agriculture, who today is attending a meeting of federal-provincial ministers of agriculture.

Mr. Knowles: Perhaps he is in cold storage.

FEDERAL AGENCY TO PROVIDE FEED GRAIN FOR EASTERN FARMERS

On the orders of the day:

Mr. Raymond Langlois (Megantic): Mr. Speaker, I would like to address my question to the Minister without Portfolio. It concerns the federal-provincial conference and the eastern feed board. Has any matter concerning this board been brought up at the conference which is underway at the moment?

[*Translation*]

Hon. Rene Tremblay (Minister without Portfolio): Mr. Speaker, I know that this matter is on the agenda of the conference.

[*Text*]

LABOUR CONDITIONS

REQUEST FOR REPORT ON INCENTIVE TRAINING PROGRAM FOR OLDER WORKERS

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I should like to ask the Minister of Labour whether he could give an indication to the house as to how the older employee program is coming along.

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I have no definite figures to hand today with respect to this program. We are very anxious to have it succeed, and we are considering further steps which might be taken which would make it more attractive.

Mr. Starr: I wonder whether the minister could give us some indication say tomorrow or Friday of the number of applications in respect of this program.

Mr. MacEachen: I will, Mr. Speaker, either on orders of the day or on my estimates, which will be before the house this week.

Inquiries of the Ministry

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, a supplementary question to the Minister of Labour. Has the Minister of Labour received any communications from industry that this present incentive plan to employ older workers is far too complex?

Mr. MacEachen: Mr. Speaker, I do not recall any particular communication, but I will be pleased to consider any representations which might have the effect of simplifying the plan or making it more effective.

PUBLIC SERVICE

REQUEST FOR CONSIDERATION OF EFFECTS OF AUSTERITY PROGRAM

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance. Has the minister received a letter from the Civil Service Association of Canada, written over the signature of the president, Mr. J. C. Best, requesting early consideration of the effects on establishments of the austerity program, and also a review of the fringe benefit areas as they apply to people affected by policy changes which cause establishment reductions? If so, can the minister indicate what reply he has made to this request?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I have received such a letter. I know of no austerity program.

An hon. Member: It is a prosperity program.

Mr. Gordon: It is suggested that we have a prosperity program and not an austerity program. The freeze of the establishments of various departments has been eased considerably. They are being reviewed commencing January 2. The other points raised in Mr. Best's letter will be considered, and I will be replying to him just as soon as I can.

Mr. Knowles: When the minister says there is no austerity program—he knows we are referring to the civil service—does he mean that the establishments have been put back to the levels in effect before the freeze?

Mr. Gordon: In many cases the establishments have been put back either completely or in part. The remainder are being looked at as of January 2.

Mr. Knowles: But the austerity is still there.

Mr. Gordon: I could not agree that the austerity is still there; quite the contrary.

Hon. Michael Starr (Ontario): Has the freeze on the hiring or replacement of civil servants in the various departments been lifted entirely?

Mr. Gordon: To a very considerable extent.

BUSINESS OF THE HOUSE

REQUEST FOR AMPLIFIED ANSWER TO QUESTION ON ORDER PAPER

On the orders of the day:

Mr. Raymond Langlois (Megantic): Mr. Speaker, I put question No. 1,482 on the order paper some time ago, directed to the Minister of Citizenship and Immigration. I was asking about bids on different tenders, and I received only the one that obtained the contract. Could I also ask the parliamentary secretary to answer the last part of this question and give me the bids on the other tenders?

Mr. J. C. Munro (Parliamentary Secretary to Minister of Citizenship and Immigration): Mr. Speaker, I will take that question as notice and see if I can have an answer by tomorrow.

SUPPLY

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

POST OFFICE DEPARTMENT

1. Departmental administration including Canada's share of the upkeep of the international bureaux at Berne and Montevideo, $2,083,500.

The Chairman: Order. House again in committee of supply, Department of Post Office, vote No. 1. Shall the item carry?

Mr. Ricard: Are we going to have a statement from the minister?

[*Translation*]

Hon. Azellus Denis (Postmaster General): In presenting the estimates for the department for this year, I can surely not be accused of patronage since these estimates have been initiated and prepared by our honourable friends opposite.

Under these circumstances, naturally, you will permit me to be somewhat restricted in my praise, while being fair towards my co-workers by chance.

Since the annual report of the department for the year 1962-63 has not yet been tabled—it is at the printers—I will allow myself to outline the most important points, then to comment on our 1963-64 estimates, and finally, to inform the house of the initiation of reforms and decisions undertaken by the department since the coming into power of the present government, and in doing this, I will necessarily limit the number outlined in order not to prolong the debate.

The year 1962-63 was to the Post Office Department, a most significant year of re-organization. Following the report of the royal commission on government organization, every effort was made to incorporate those recommendations of the commission which pertained to the department and which were under the department's jurisdiction.

The changes made emphasized, to a great extent, the decentralization of authority and responsibility to the benefit of officers in the field. As a result, many decisions will be made in the field, providing better service to the public, as field officers will be empowered to make many decisions on the spot rather than wait for approval from headquarters. The changeover is also expected to eliminate much correspondence between headquarters and the field. Headquarters, of course, still remain responsible for formulation of policy and headquarters officers will be in a better position to spend more time on this aspect of the work.

The 1962-63 fiscal year shows total receipts amounting to $222,358,848 while our disbursements totalled $218,872,399 leaving a surplus of $3,486,449.

This compares quite favourably with the figures recorded in 1960-61 and 1961-62, which showed deficits in round figures of $4.7 million and $1.2 million respectively. We must, however, take into account salary increases to post office personnel, which amount to $230,000 and which must be charged to the year 1961-62 and credited to the year 1962-63. On the other hand, we must also debit the retroactive part, amounting to $4,887,076, of the recent salary increases paid during the current year, which should be charged to the fiscal year 1962-63. These retroactive increases produce a real deficit of about $1 million for that year, rather than the surplus of about $3.5 million.

[*Text*]

Letter carrier service was inaugurated at Summerside, P.E.I., Oromocto, N.B., Thornhill, Ontario, Ste. Rose, Quebec and Hawkesbury, Ontario. In addition, 207 additional letter carrier walks were placed in operation, bringing to 3,113,765 the number of calls where letter carriers provide door to door mail delivery. The increase in the number of calls is less than in previous years. This is a result of the reduced expenditure program undertaken by the government during the year under review. The 5,640 rural routes now in operation across Canada have brought this service to an all-time high, serving 645,-115 householders.

Post office activities in the field of labour relations saw improved procedures in regard to truck drivers who are employed by contractors for major mail transportation services. Clauses have been inserted in the post office contracts with carriers establishing a minimum hourly wage determined by the Department of Labour. Other clauses incorporated in the contracts deal with annual holidays with pay.

During the year the volume of mail handled showed an increase of 3.94 per cent over the figures for 1961-62. It should be noted that, due to increased efficiency and more effective planning, this increased volume of mail was handled by a staff increase of only one half of one per cent.

The increases and improvements in service that I have described—in letter carrier service, in rural route service, in mail volume and in revenue figures—are the result of the normal growth of the postal service in an expanding economy and a growing population. These increases have been accompanied by an increase in the costs of salaries, transportation and equipment, which are also a normal product of an expanding service.

This pattern of normal growth is reflected in the statistical review of the year 1962-63. While these statistics will be presented in detail on the tabling of the Postmaster General's report, I should like to mention just a few of them here. For instance, departmental revenues increased by almost $9 million in 1962-63 over the previous year. Similarly, departmental expenditures increased by about $4 million during the same period. These figures do not, as I mentioned earlier, include back-dated salary increases which result in a net deficit for the year.

[*Translation*]

So much for the past. The total departmental estimates for 1963-64 are $191,704,000, which represent an increase of $1,113,500 over last year, taking into consideration supplementaries for both years. It should be noted that salary and transportation increases, factors over which the department has little control, account for the bulk of this figure, which has only been kept down to this level by savings made in these and other areas of expenditures.

Our increased expenditures will be met to a large extent by increased postal rates and fees which I announced some months ago. With the new rates, we have calculated that the department will about break even over the next three-year period. It should be noted that without the recent increases, the department's anticipated deficit over the next three years would have been nearly $15 million.

I should like to point out that the five separate rate increases recently announced were all for services which were not paying their way. Under the new rates, there will still be a net loss, but it will be much less.

I have indicated that normal additional services, particularly in regard to letter carrier service, had been slowed down by the government's reduced expenditure program.

I am pleased to tell you that part of the additional revenue from the recent rate increase is being used to provide door-to-door mail delivery on a normal basis which will give this type of service to some 20,000 new homes in the immediate future. Already, since the beginning of October more than 10,000 householders have been granted door-to-door letter carrier delivery service and the others will follow as quickly as arrangements can be completed.

I also intend to give a brand new look to Canadian postage stamps and, in the future, Canadians can look for brighter and more interesting stamps as the department produces three and perhaps four colour stamps by a combination of steel engraving and offset lithography as compared to the customary one or two colour designs. Red will be mostly used to make them more attractive.

We plan to begin a series of coloured stamps showing the various provincial floral emblems. We have under way what I think are attractive stamps on the themes of world peace and Canadian unity, and also stamps to commemorate the Charlottetown and Quebec conferences of 1864 which led to confederation. We have decided, for next year, to issue a special Christmas stamp that should be most appropriate.

The department has in its vaults some 58,000 foreign stamps. We wish to display this magnificent collection for the public. This vast collection is now being catalogued and organized and, we hope, will soon be made available for public inspection both at Ottawa and at other points across the country.

Since becoming Postmaster General I have met with great pleasure every group of postal employees who wanted to meet me. In addition, I have met with the executive officers of all the postal associations. I have also done everything I could to back up the work of the department's standing committee on employee relations. As a proof of my interest in the welfare of the employees, I have succeeded in increasing the percentage of the salary increases granted to postmasters of smaller offices during the recent pay revisions.

Another example of my interest in the welfare of the employees was my decision to give the postmasters of smaller offices an

opportunity to compete for promotion in a wider field, and that, at the request of their association.

Mr. Valade: Mr. Chairman, would the minister allow me to ask him a question?

Mr. Denis: Certainly.

Mr. Valade: The minister referred to the fact that he had obtained salary increases for the postmasters. Can he tell us the amounts of those raises?

Mr. Denis: Mr. Chairman, I said that I had succeeded in increasing the percentage of salary increases granted to postmasters of smaller offices. As a rule, the increase is based on a percentage and as these were smaller offices, the increase would have been between $25 or $30, for instance. That is why they were granted, through my intervention, a minimum raise of $60.

Mr. Gregoire: That is very good.

Mr. Denis: Mr. Chairman, at this point in my remarks, I wish to state that, in spite of everything that was said here and elsewhere, the appointment of postmasters and the granting of contracts for supplies and services were made, and still are, under the provisions of the Post Office Act. In all cases, the act was followed faithfully.

Mr. Chairman, I cannot close my remarks without paying a special tribute to all the postal employees who, day in day out, through unselfish devotion to their work, have given the Canada post office a reputation of being second to none. This includes not only the regular employees of the department, but also, the rural mail carriers, the contractors and their employees, whose contribution to the postal service is great indeed.

In short, the Post Office Department has given and continues to give to the Canadian people a service of which they can be proud, and it is for this reason that I humbly ask this house to approve the estimates, as now submitted.

Mr. Valade: Mr. Chairman, my first words will be to congratulate the minister for having been as brief in his remarks as his administration will be.

We noted that the Postmaster General (Mr. Denis) came into the house under a certain nervous stress, probably dreading the moment where we could at last criticize his department.

The minister has colour and all hon. members know him, but what we would like to know is the political colour of those he seems to favour in certain very special circumstances.

[Mr. Denis.]

Mr. Chairman, the attendance of the Postmaster General in the house this afternoon was prepared by the Secretary of State and leader of the house (Mr. Pickersgill), who is known for his wit during our discussions. Indeed, as found on page 5733 of *Hansard* of December 11, 1963, the leader of the house announced that we would benefit from the lights of the Postmaster General. Here is what he said:

When they have concluded—

And the leader of the house had just been speaking about the Department of Agriculture.

—and the carnage is over, the Postmaster General is only too ready to enter the slaughter house.

Those are the words used by the leader of the house and I think he was right. I do not think the Postmaster General will enter the slaughter house, but I think that he is ready to commit suicide to try and save the reputation of the Liberal party.

At this stage of my remarks, Mr. Chairman, I avail myself of the opportunity to tell the minister I understand his great self-denial in face of the patronage situation experienced in his department, in so few weeks of administration. The minister will not mind, I hope, if I tell him I understand he has already made his sublime sacrifice on the altar of Liberal patronage and that he is ready to tell his leader, the Prime Minister (Mr. Pearson), like St. Theresa of Lisieux: It does not matter, my God, if I burn in hell for eternity, if such is the will of the dear leader of the Liberal party.

Mr. Chairman, I believe the minister is ready for holocaust, so much so that he omitted, in his introduction, to speak about the most important problems—

Mr. Gregoire: One sees the mote in other people's eyes, but does not see the beam in his own.

Mr. Valade: Mr. Chairman, if the hon. member for Lapointe (Mr. Gregoire) would abide by standing orders, I would be grateful to him. No doubt, he has interesting things to tell us, and if they are, we shall be in a position to appreciate them later on. So, I would ask him to please stay still a bit and allow those who have serious things to say to express themselves in this house.

Mr. Chairman, in his brief speech and his short statement of excuses, the Postmaster General did not touch on a side of his department's administration which is indeed one of the most important ones, since his department is supposed to be the only one able to support itself, without having to rely on any grant whatever from the federal government.

For instance, the minister has failed, unintentionally or not, to mention salary increases for certain postal employees, increases which he called for when he was but a very noisy private member and critic of the Post Office Department for the then official opposition.

He also used to deal with the improvement of working conditions in that department. In fact, all will admit that the present Postmaster General was the champion of the improvement of working conditions for the employees of the Post Office Department. He no longer talks about that now.

Mr. Chairman, a matter which seems to have haunted the Postmaster General when he was only the private member for St. Denis, is that of the thefts in post offices. In fact, I recall that he used to repeat the same story all the time, that there was not a single day when we would not have heard the hon. member for St. Denis ask the then postmaster general if he was not aware that a burglary had taken place in such and such a post office.

I was really surprised to note that the Postmaster General made no mention at all of post office thefts in his brief statement on presenting his estimates. Yet, those thefts keep on happening and are even getting more serious since the minister was appointed to his present duties.

When he analysed the situation in his department, the minister failed to suggest a policy to ensure a balanced budget. As a matter of fact, we are far from the balance policy he always advocated when he was in the opposition.

He acquired a wide experience and showed great competence since he was elected to the house, more especially since he was designated as official critic of the opposition on postal matters. At that time, he put himself to a lot of trouble. He searched through all the departmental files and he even had access to confidential reports the then postmaster general was kind enough to let him consult.

In the light of the minister's comments, we must come to the conclusion that, since he took over as Postmaster General, he has not put into practice any new formula and none of the suggestions he made when he was sitting in the opposition.

Mr. Chairman, I should like to quote certain observations the present Postmaster General made on July 26, 1958, when he was just the private member for St. Denis, and which show exactly the situation in which the Postmaster General finds himself once again today. The situation which the minister promoted a few years ago has become for him, today, a stumbling block, and it cannot be denied that when he was sitting in the opposition, the minister played a much more efficient role than he is playing today.

I should have liked the Postmaster General to speak more extensively on the question which obsessed him when he was in the opposition. I do not intend to quote all the insignificant allegations recited in the past by the present Postmaster General; neither do I intend to give an account of the debates, reflections, complaints and laments he was then heard to express. On the other hand, he spoke of thefts, as though they had been invented; he spoke about the postal system, saying the department owed it to itself to grant the country two postal deliveries a day.

I could quote the words of the member for St. Jean-Iberville-Napierville (Mr. Dupuis), as reported in the official record for July 26, 1958, and so applicable to the present Postmaster General. I could not let this opportunity go by without reminding him of his own words, which, today, must leave him quite ill at ease in his present position.

Concerning thefts in post offices, I have before me a newspaper article mentioning a recent theft in Montreal, involving over $40,000. I learned through another article, a few days ago, that a post office had been robbed of about $20,000. Since the minister has been there, you learn that everywhere in this country post offices suffer important thefts. I wonder why the Postmaster General, after four years experience in the opposition, at which time he was obsessed, as I was saying a while ago, by thefts occurring in post offices, did not find it appropriate to tell us what he thought of this situation, and especially what means he intends to use to protect the valuables and other articles that the department is entrusted with.

Mr. Caouette: It takes him a long time to understand.

Mr. Valade: I agree with the hon. member for Villeneuve when he says the Postmaster General takes a long time to understand.

Mr. Chairman, if we cannot discuss objectively the estimates introduced by the Postmaster General, it is because we notice that the estimates are in accordance with reality. That is what we find strange and the only explanation I could find is that they were prepared by our administration, which goes to show once again that the people had no reason to overthrow a government which had such a good record of administrating public business that the present Postmaster General adopts the same system.

Of course, the Postmaster General gave new guide lines to his department's policy, guide lines which clearly indicate the philosophy of the government now in power, because since they have taken over, the Liberals

have applied the policy of patronage of which the Postmaster General is but one example giving us an opportunity to point out the most crucial and most shocking problems. And to think that those people were elected on the commitment to bring new life to the federal administration.

The Postmaster General specially forgot to discuss the matter of the salary increases asked for by his employees for so long. You will recall, Mr. Chairman, that when we were in power, we gave a salary increase to post office employees.

I have in front of me a few letters from people who are asking how it is possible that with an administration headed by a man who promised during so many years to raise the post office staff salaries, not only the employees have not had any increase, but they had a cut in their salary. In fact, I wonder whether it is the policy of the government to consider increasing the wages of the employees.

One of my constituents wrote me on August 17 saying:

—As you undoubtedly know, the employees have been granted an increase; the workers on the fourth floor at least were given an increase of 16 cents per hour, I think, but our wages were reduced by 14 cents per hour. We were earning $1.57 and we now receive $1.43 an hour for the same work—

Mr. Caouette: A policy of grandeur.

Mr. Valade: Yes, I am wondering whether this is a policy of grandeur and whether the Postmaster General is showing a genuine interest in the wages of postal workers, as he promised while he was in the opposition.

I also have a document to prove that under the Conservative administration all employees had been granted some rather substantial increases. I shall spare the house the enumeration of all those increases and all the categories of persons who benefited therefrom. In any case, I think the Postmaster General is aware of those salary increases. Nevertheless, I would have liked to hear him tell us what policy he intends to follow in this matter.

The Postmaster General knows as well as I do that the employees of his department are rendering a valuable service to society. They are dedicated people who do not count the hours spent at the service of the Post Office Department, though their health may sometimes suffer.

Since all the bills having received most careful consideration by the government were designed to raise the salary rates of high government officials in Canada—there is also the bill which enabled the members of this house to get a rather substantial increase—I wonder whether the minister could now look after the little people and at long last solve a problem that is surely worthy of more attention than the minister has been giving to it until now.

If I am not mistaken, the minister did not refer to the steps advocated by the Glassco commission in its report on the improvement of efficiency in the postal service. Unfortunately, being a good Liberal administrator, he overlooked the recommendations of the Glassco commission. He should have realized that it would have been to the advantage of the Canadian people to apply certain steps and he could then have told us something about the improvement in service the public is asking for.

I have here an article published in *La Presse* of October 15, 1963, in which it is said:

—But if Mr. Denis is convinced that without those increases, there will be a deficit in his department, the public is just as convinced that, without an increase in the number of wicket clerks, at the Place d'Armes post office among others, some day there will be a fresh outbreak of separatism.

I think that if the Postmaster General would really take the trouble of considering the administrative problems for which he is responsible rather than considering the request for patronage made to him by sympathizers of the great Liberal cause, it would certainly result in some great improvement for the public.

Mr. Chairman, the minister gave us a broad outline, a little while ago. His outline of the situation was somewhat too broad to allow him to make any concrete announcement. For instance, he spoke about the pay increase granted to sub-postmasters but when I inquired about the nature of that increase, I was not surprised to learn that it was $5 a month. What a big improvement, what an acknowledgement of the services and devotion of that category of employees.

I am wondering whether the minister was in earnest when he said that owing to his personal intervention, the postmasters' salaries had been increased, while they were only increased by $60 a year. If the minister's intervention has no better result than that, I believe he could really ask his leader to recommend him for a job in which a $60 a year increase could be considered as a special treatment for him.

However, I believe the Postmaster General juggled with his department's expenditures and has not concerned himself with bringing improvements such as those made by the former government, which came to power in 1957, and that on the whole, the administration entrusted to him is a complete failure.

The present Postmaster General had been so voluble when he was a member of the

opposition that people had expected something more than the incoherent statements he has given us this afternoon.

Of course, I understand the minister is in a somewhat difficult position; rumour has it that an appointment would be intended for him in a much quieter and easier place, in a less committing position. So I believe that having in mind a promotion in another place, the minister has not taken pains to examine thoroughly the problems inherent to his department.

We are not going to blame him too much for that, because we are under the impression that the Prime Minister will know how to reward him during the Christmas holidays. And as we are in a festive spirit, I should like to take this opportunity to wish the Postmaster General to find in his Christmas stocking the appointment that he has been wishing for all these years, and the house will not be any worse off for it. Upon our return, we shall be able to offer him our warmest congratulations for getting a transfer to a world of tranquillity instead of worries, as he experiences at this time.

When the minister said earlier, that patronage had been introduced into the Post Office Department by the former administration, I had the impression that he was referring to the former Conservative administration. But after checking my material, I understood that he was referring rather to the former Liberal administration. If the minister wants to be honest and consistent, he can refresh his memory by looking into an article published in *La Presse* on May 31, 1951, that is close to 13 years ago, when the Conservatives were not in office. That article proves that patronage was really a Liberal creation for which the minister, in order to make excuses for himself, is trying now to blame the former Conservative administration.

That article has this to say:

> Members of the opposition maintained yesterday in the Commons that appointments made in the Post Office Department are sometimes the result of patronage.
>
> Members of the three opposition parties criticized the way appointments were made during consideration of the bill presented by the Hon. Mr. Rinfret, postmaster general, to amend and revise the legislation concerning the postal service.

Mr. Chairman, that article was published in that newspaper at a time when our friends opposite were in power. That goes to show that the minister was mistaken, once again, when he said that patronage started under the Conservative administration. It is more of a genuine Liberal system, it is part of the Liberal party's concepts and philosophy to use power to its own advantage rather than to serve the people.

If I were the only member here to make that charge, I think the hon. members opposite would be justified to question my word. But when we come back to the reason why the member for St. Denis is part of the cabinet as Postmaster General, we get the feeling of being before the Liberal party's executioner, that is to say the patronage handler in the highest sense of the word. There is no doubt that patronage came into the federal administration with the Postmaster General.

Some time ago, when we asked the Postmaster General if he had really compiled a patronage list, he stated, upon his word as a minister, that there was no patronage list in his office.

When we plied him with questions, the minister finally admitted that there was a list, but that it was not a patronage list. It was a list which he called a "list of consultants".

I regret to say that the minister misled the house when he said that there was no patronage list in his office and when he called the list a "list of consultants".

After examining that notorious list of consultants, we were in a position to see that this list, by error or for political reasons, included the names of Liberal candidates defeated in the last election, in all the ridings in Canada.

Yet, knowing the man who was my political opponent and who, by the way, did not even live in the riding, I wondered how he could have been appointed a consultant to the Post Office Department with his lack of qualifications. At least if he had been a consultant. The Postmaster General knows full well that the Quebec minimum wage act forbids employers to pay their employees less than the minimum wage. Now, I feel that those people should be paid a salary by the department, particularly if they are qualified consultants.

We made a comparison and we came to the conclusion—

[*Text*]

Mr. Munro: Mr. Chairman, I wonder whether I may ask the hon. member a question.

Mr. Valade: If your name is on the list.

Some hon. Members: Oh, oh.

Mr. Munro: I wonder if the hon. member could tell us whether under the former administration his name was on a Conservative patronage list, under the title "consultant".

Mr. Valade: I am very happy that the hon. gentleman has asked me that question,

because I was just going to speak on that matter. I hope the hon. member will be satisfied with my question—

Some hon. Members: Answer.

Mr. Valade: —and if he is not satisfied I hope he will ask me another question. I will conclude my remarks in English because I would like the hon. member to have the opportunity of getting the meaning that I want to convey with regard to the patronage list to which he has referred.

[*Translation*]

Mr. Chairman, at the request of my friend for St. Lawrence-St. George (Mr. Turner), I shall pursue my remarks in French.

When the minister was accused of having such a list, he said: "We have no patronage list." Later on, he said: "Your Conservative list was worse than ours".

When a minister states that there is no patronage list and then ends up saying "Your list was worse than ours", it seems to me that there is a lack of coherence on his part, as regards the official or non-official recognition of a list that really existed.

Now, to answer the question put to me a moment ago, I have here the list of consultants that was prepared in the minister's office—

Mr. Caouette: Those are two identical lists.

Mr. Choquette: He is somebody, he is a man.

Mr. Valade: A good man who almost lost his deposit, despite the speech made by the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis) in the riding of St. Mary.

We have here, Mr. Chairman, the list of consultants issued by the Liberal party, and we find that the basic difference between the patronage list of the Liberal party and its list of consultants is that on the list the Postmaster General had in his office, in all ridings where Liberal members were defeated, Liberal candidates were appointed patronage agents under the title of consultants to the Postmaster General.

When the minister said that there was a list of Conservatives identical to his own, I say here that he misled the house, either by ignorance or knowingly, in order to clear himself.

I am in a position to prove that statement, and I can tell the hon. member that the list referred to by the minister was a list of addresses, prepared during the last electoral campaign and containing the addresses of all the Conservative candidates who had organization committees in each of the counties, and not a list of former candidates.

Some hon. Members: Oh, oh.

[Mr. Valade.]

The Chairman: Order. I would like to remind the committee that the hon. member for St. Mary has the floor.

Mr. Valade: Mr. Chairman, I think that the hon. members opposite have misunderstood what I meant when I said that the former postmaster general had issued a list of addresses in March 1963, so that the mail addressed to the members of the House of Commons could be redirected to the various constituencies. It was not a list which was put in the office of the minister for patronage, for placing people in post offices, as is done at the present time.

I appreciate that our hon. friends might have some difficulty to see the difference; indeed, they do not want to see the difference. We are proving to them that under the Conservative administration there was no such thing as a patronage list, while under the Liberals such a list is official, classifying as "consultants" defeated candidates in the election.

That list is a sort of open sesame to the various post offices throughout Canada, whereas, under the Conservative administration, the only thing the postmaster general did, was to advise the offices that this or that member could be found at the address of a central committee during the electoral campaign. That was a normal thing to do. It was not a matter of patronage, it was a list of addresses, and I know—

The Chairman: I am sorry to interrupt the hon. member, but the time allotted to him has expired.

Mr. Valade: I hope that the house will allow me a few more minutes, for we have on many occasions agreed to listen to the nonsense of certain members opposite.

Mr. Denis: Mr. Chairman, I would ask the house to agree to let the hon. member go on with his remarks, since he is far from being offensive.

Mr. Valade: I can understand the Postmaster General stating that I am not offensive, for he himself is very defensive; but he would just the same like to be in another situation.

I know that I must thank him for the opportunity he has given me to reiterate the wish which we all make, that the new year would increase, in the interest of the House of Commons, the number of senators and deliver us from his presence.

Finally, he will be regarded as one of the postmaster generals who indulged the most in patronage in the history of this country.

Mr. Côté (Longueuil): Mr. Chairman, the time allocated to the hon. member has now expired and I object to his continuing to talk nonsense.

An hon. Member: This is going to be good.

Mr. Caouette: Mr. Chairman, I hear the hon. member for Montmagny-L'Islet (Mr. Berger) say that this is going to be good. It will certainly be better than it is in his constituency.

[*Text*]

Mr. Howard: Mr. Chairman, may I raise a point of order. My point of order is that it is the normal course of events to see the spokesman for the various parties recognized in the order of party precedence in the house, and therefore the hon. member for Danforth should have been recognized.

The Chairman: Order. I appreciate this point. That is what I had proposed to do but I must say I did not see the hon. member for Danforth until I had called on the hon. member for Villeneuve. Perhaps the hon. member for Villeneuve may want to yield the recognition I accorded him in favour of the hon. member for Danforth.

[*Translation*]

Mr. Caouette: Mr. Chairman, it is a pleasure for me to follow the traditions of the house and I shall leave the floor to the hon. member for Danforth.

[*Text*]

Mr. Scott: Mr. Chairman, first of all I should like to thank the hon. member for Villeneuve. I had not intended to raise the matter myself, but the hon. member for Skeena is always insistent on the rules being followed and is a great respecter of the rules and traditions of the house. I thank the hon. member for Villeneuve for yielding to me.

There are a few remarks I should like to make on behalf of our party with regard to this department. I should like to begin by saying that most of them, in fact all of them, are not directed at the minister in any personal way. I have had occasion to have dealings with the minister on postal matters, and from a personal point of view I can say I have found him to be quite co-operative and very fair. I want to make that clear. I wanted to say that at the beginning, because the balance of my remarks will not be quite as congratulatory of the minister and the government.

Over the years the Post Office Department, of course, has been a department that has not always received the care and attention that is should have received from parliament and from the ministers who have looked after its affairs. From our examination it is our view that one of the best cabinet ministers ever to handle this portfolio was Mr. W. Hamilton, a former member from Montreal, I believe. An examination of the records and of his performance of his duties shows that he did make an honest, sincere and partially successful attempt to root out many of the more flagrant abuses. It is regrettable in a way that he was removed from our midst by the wishes of his constituents in the 1962 election, because we have never felt that his successors measured up to his ability. As I have said, the department is one which is capable of great use or great misuse. Signs already appearing, which we can see, seem to indicate that some of the older and more reprehensible practices in this department are again rearing their heads.

I was interested in the speech of the hon. member for St. Mary, much of which I thought was needlessly self-congratulatory of the previous government, and some of it quite hypocritical. The criticisms he has been making could more properly have been directed, and to some degree with greater validity, toward the administration which preceded the present one. Indeed, Mr. Chairman, one of the most depressing aspects this session is the constant refrain we hear from this side of the house that all the present government is doing is carrying on the brilliant and marvellous programs introduced by the Conservatives when they formed the government.

I want to deal with the department in two or three aspects, and the first one is one which has partially been raised by the previous speaker. I refer to patronage. We have heard a great deal about this. In fact, I notice that most members on the other side of the house have their little lists of consultants and they are waving them with great glee. I do not know how many there are in the house but it is quite a pretty sight to see all the white sheets being waved. Of course, these lists are not new. They were used by the previous government as well. I do not know to what degree they constitute patronage, but I do think there are more serious charges of patronage that can be made against the government and ones which ought to be investigated in the next session by a special committee of the house.

Mr. Denis: May I ask a question? Will the hon. member mention the particular cases?

Mr. Scott: The minister is just about two minutes ahead of me; I am just coming to that. I am not suggesting whether these charges which have been made by responsible members of the postal department are true or not. Obviously we do not have enough evidence to judge at this stage. But they have been made and to me they constitute a very grave and serious reflection upon an important aspect of the civil service. If the charges that the present government is

instituting patronage practices for political purposes are true, we have the right to know. They should be investigated, as I have said, by a special committee of the house in the next session of parliament. Obviously there is not time to do it now, and no one suggests that a serious attempt could successfully be made.

I have a photostat of an article which appeared in one of the Ottawa newspapers. In it charges are made by a Mr. Bill Houle, who is president of C.P.E.A., Montreal local. This man is not a politician but a responsible officer in his department. He has charged, at a meeting at which the deputy postmaster general, W. H. Wilson, was present—I think it was the annual dinner of the Ottawa branch which was held here—that by the use of patronage we are reintroducing patronage into the government of Canada. That is a very serious charge to make. The article does not disclose any detailed facts, but complaints were made about the manner of hiring being adopted by the department. The local postal clerk, a Mr. Bernard Belanger, asked whether the post office had a policy of hiring cheap casual help to fill jobs previously held by postal clerks, and he said that this policy would eventually result in the extinction of postal clerks. These are grave charges, Mr. Chairman. We do not know whether or not they are true, but if this trend is beginning to make itself apparent then we have the right to know about it and to try to stop it before it goes any further.

All this banter which has taken place in the house over the subject of the lists is not that important. I think it is an unpleasant thing to do and that it is somewhat improper, but I think all the hullaballoo made about it is a little silly. But we as members of parliament should be concerned at the more serious aspects of the matter which are rearing their heads. While the post office department has always been lightly regarded by the government, it is a department of some importance touching the lives of everyone in Canada, and should be looked after carefully by us in our deliberations. Therefore I suggest to the minister that he agree to have these charges investigated, and that we be permitted to call before us various individuals who have made such charges so as to ascertain whether or not they are true. It may be they are untrue. If that is the case then we should know this as well.

The other matter about which I wanted to speak is also of great importance and concerns the working conditions under which postal employees operate. We always hear a lot about the need for good postal services, for two or three deliveries a day, and taking care of the desires of the public. But I want to make an appeal to the minister to become the champion of the postal employees, because they are the neglected part of the Post Office Department. It is all very well to talk of pretty stamps, of an annual stamp day, of a stamp for this person and a stamp for that person. But the minister would make a greater contribution to his department if he became the spokesman of, and the champion for, the rights of the employees.

I should like to put on the record something of the conditions under which they work. I think it is reprehensible that this large body of public servants should have no collective bargaining rights and no arbitration rights. We give these to all sections of the working community through our labour laws. We give them to such people as a matter of right. We give the right to our workmen to associate together and to bargain collectively for the betterment of their working conditions. Our farmers have certain farm organizations to take care of their interests. I think it is extremely reprehensible that our employees in the postal department do not have similar rights.

I think most members received a bulletin from the federated association of letter carriers in June of this year headed: "The Postmen ask, is it fair". In this bulletin are set out some of the onerous conditions under which these people are working, and I should like to put them on record.

The letter carrier is made completely responsible for the mail on his route. He has personal and individual responsibility as compared to the average postal employee who works in a group.

He is responsible for registered mail and for all changes of address, sometimes for as long as a year, sometimes indefinitely. He re-addresses all changes and keeps an up to date directory for this purpose, and notifies publishers of changes in address.

In addition he has recently been assigned the task of redirecting family allowance and old age pension cheques, formerly a responsibility of the recipients.

He is responsible for collecting government money through C.O.D. items, short-paid mail and custom and excise charges.

He must personally investigate complaints that mail which was posted was not delivered, often due to the fault of others, and write an explanation on a special enquiry form.

In dealing with the public he is expected to do a good "public relations" job for the government and the post office in particular. He is expected to be neat in appearance, courteous and knowledgeable.

He is expected to carry ever-increasing loads. In a ten year period the average walk has increased by more than 100 calls and 400 pieces of mail daily.

Despite advancing age he is expected to keep in top physical condition in order to perform his job quickly and efficiently. He must stick on the job until his daily task is completed. While he has a starting hour he has no finishing time.

The carrier is up and on the job by at least 6.30 a.m., often earlier.

Apart from a ten minute coffee break he has to go without lunch until his last item of mail is delivered. This can be a six-hour grind and often is even longer.

He must carry out his duties in all kinds of weather, outdoors all year round, in temperatures from the nineties to below zero, through rain and snow and upon treacherous, icy sidewalks and stairs.

Aside from regular mail he is the pack-horse for business firms who load his walk with bundles of "householder" pamphlets, dodgers and other sales promotion literature, which he must deliver to every letter box on his route—a veritable gold mine for the post office in the Toronto area alone.

While other postal workers are required to work many hours overtime the carrier is expected to prepare and deliver his volume in a regular working day.

Working under these wonderful conditions, Mr. Chairman, the letter carrier has had no pay increase in almost three years. His average weekly wage is $67.50 take home pay; that is a man with two children. The bulletin continues:

Many wives and mothers must work to make ends meet and many carriers take second jobs to support their families. Like the low man on the totem pole he carries the great weight of those above him and receives the least attention for his efforts. Is it any wonder the letter carriers ask: Is it fair?

These kind of working conditions would not be tolerated by this government.

I was at the reception the other day for the Canadian Labour Congress and I never saw a more smoothly managed stage performance or such a degree of interest in labour. Labour is going to get anything it wants. I have never seen such interest in the working man. He is going to get a fair deal. They could not have been more careful in the way they were currying favour. But in the department over which the minister has control there are people working under these types of conditions, who have no collective bargaining rights, for which they have been asking for years. They have been asking for compulsory arbitration so that they can force upon an unwilling government the awards which an arbitrator would give them, and they cannot get that right either. I appeal to the minister, as I said at the start of this phase of my remarks. If he wants to be a great minister and to elevate himself above the level at which most postmasters have been content to serve, then let him become the champion of the people in his department. From letters I have received I am under the impression that morale in the Post Office Department is low. I hope I am wrong in this. But I suggest to the hon. gentleman that he should get out of his office and talk to some of the people who work in his department. Never mind the senior officials, though they are perfectly competent. The minister should find out what are the feelings of the letter carriers and of the workers in some of the lower levels in the post office. These people are unhappy. They feel that no one really cares about their working conditions. I do not think this state of affairs will be improved until the minister himself is ready to get out into the field and find out the thoughts and wishes of those who work there. If he were to do that, there would be at least a chance of bringing about an improvement in conditions.

Some consideration should be given to establishing a fairer method of handling dismissals. At the present time, employees who are dismissed are entitled to appeal to a higher body. Some of us have had occasion to appear before these kangaroo courts. They are loaded in favour of the department. The applicant rarely has an opportunity to call witnesses, or else he finds witnesses are not available. I appeared before such a body on behalf of one employee and I sent in a list of the people I wanted to call as witnesses in support of my case. They were astonished. This had never been done. They were all working. They were not available. Consequently, there was no evidence to repudiate the charges which were made and in due course a notice came out to say that the appeal had been dismissed. I have never appeared before a more one-sided kangaroo court. I should like to see the minister do something to remedy this state of affairs and give employees a better chance. In particular he should make sure that those who come down from Ottawa to hear these cases have all the evidence before them. I do not criticize them. If they do not hear both sides of the case they cannot make an intelligent judgment. But by controlling the evidence to which the board has access the department is, in effect, controlling the decisions. I think this is a situation which should be changed.

The minister should give consideration to increasing the remuneration paid to the thousands of people who operate sub-post offices. I spent the whole summer in my constituency trying to get a new sub-post office established. I did not think of going to see the consultant. I might have got some action if I had had the forethought to do that, but it did not occur to me at the time. The real difficulty we encountered was that no one would take on the job. We found all kinds of individuals who are interested in running a post office, but as soon as I quoted the rates they politely showed me the door. The rates are so low that it is not worth the trouble of providing a service. This is not an effective way in which to operate the department. I ask the minister to give serious thought to this, because the present rates of

remuneration are affecting the quality of the service from coast to coast, and I think they are affecting the quality of the individuals who serve in our sub-post offices.

I do not wish to continue at any great length because I know there are a great many speakers to follow me and they will probably cover the subjects which I omit. I should like to conclude by renewing my appeal to the minister. I know there are rumours in the newspapers that he is not going to be here very long. I hope they are not true. I hope he will stay with us and that he will find within himself the qualities necessary to make this department a much better department than it is at the present time. There are areas which are in grave need of overhaul. Some of this work was started by Mr. Hamilton when he was postmaster general but I do not think any serious attempt has been made since that time. One of our disappointments so far is that the present minister does not give us on this side of the house the impression that he intends to use the qualities he possesses. We do not get the impression that the minister really understands the problems of this department or that he is the type of minister who would turn his whole party against him, if necessary. I am told that Mr. Hamilton was such a good postmaster that he did not have a single friend in the Tory party. I do not want to interfere with the hon. gentleman's friendships but if he were able to announce next year that he was so good, so impartial, so anxious to serve the needs of the post office at the expense of his party that he did not have a single, solitary friend in the Liberal party, this would be the greatest tribute he could be paid.

Mr. Olson: I wish to make only a few remarks with respect to the estimates of the Post Office Department which are before us now. At the outset I think it was well known in this house to the dismay of most members that we see this ugly trend toward patronage coming up again in a government department. It seems it has shown up more in the Post Office Department because of lists which have been tabled and if there are such things in other departments, we do not know they are there but we hope they are not.

The fact is that members have these lists before them now and they are extremely sorry that this kind of thing is being continued. In my opinion, in this enlightened age when we have technological apparatus available to us and to the leaders of parties, and to members and candidates, to communicate with the mass of the people in Canada, in their constituencies in particular, this kind of patronage which has begun to show up again is, in fact, a liability to a political party, rather than an asset. I know that in days gone by when there were no facilities for mass communication with the people there were politicians and political party organizers in various areas who were consultants, and so on. It may have been a political asset then, but I am certain that in the long range view today any form of patronage of the nature that is showing up now is, in fact, a liability. It belongs to an age that has gone past and I certainly hope we are going to see an end to it, particularly in the post office.

I was interested in the remarks made by the hon. member for St. Mary. If I understood him correctly—and he was interrupted a few times—he said the purpose of the lists which were tabled was to enable the department to find members of parliament after the election. If he did not say that, I apologize. But if he did say something to that effect I would like to pose a question. I read from the front page of this list, sessional paper 255, part I, and it says:

> Effective immediately. All matters pertaining to Newfoundland will be referred to James A. McGrath, M.P. and I think at the time of referral he should be supplied with the name and address of the individual who is our normal consultant concerned with the particular problems.

What does that mean? Does that mean you needed the list so you could forward mail and, furthermore, what do they mean by "all matters pertaining to Newfoundland—"

Mr. Valade: Since the hon. member asked me a question, I would like to refer him to the dates on this list, which are February 8, February 26 and March 26. It was, in fact, a demand from members of parliament so that their addresses should be changed in order that their mail would be forwarded to them during the campaign. There is nothing connected with patronage about this. It is just a list so that the mail will reach members of parliament.

Mr. Olson: I see there is an amendment no. 11, dated March 6, 1963. I see that very plainly. On the face of it, it says "effective immediately on all matters." "All matters" must include more than having addresses. I think the hon. member would consider me naïve indeed if I were to conclude these were only lists of addresses.

I have in my hand the Conservative list, by the way, and I notice that in Medicine Hat the consultant to the Postmaster General is Edwin W. Brunsden, care of Progressive Conservative campaign headquarters, South Railway street, Medicine Hat. He is to be addressed as "Dear Ted". The evidence is fairly clear, Mr. Chairman. Let us look at the Liberal list. I find that in Medicine Hat the consultant is to be Dave Broadfoot, of Redcliff, Alberta. For the benefit of hon.

members who do not already know, I may say that Dave Broadfoot was the Liberal candidate who ran against me. In Edmonton-Strathcona, the name of the consultant is John Decore. In Edmonton West, the consultant is J. Harper Prowse. He was also a defeated Liberal candidate. In the constituency of Lethbridge, the one right next to mine, the consultant is Martin Hoyt. He also was a defeated Liberal candidate.

I would ask the Postmaster General what it is about which he consults these gentlemen? Are they experts in the administration of the post office? Do they have some special knowledge about where post office buildings should be put? Do they have some knowledge of the general administration of a post office, or just what is the reason for having them on the list, and what kind of questions do you refer to them for their counsel? This is an important bit of information, Mr. Chairman. What kind of questions have been referred? So far as I am concerned, I do not know that any of these gentlemen in the constituencies about which I have information, have any special knowledge that would be important to the Postmaster General in the operations of the Post Office Department.

As a matter of fact, the results of the elections would seem to indicate these gentlemen did not even have a high degree of public support. They were not only defeated, but they were away down the list in being defeated. As I have said, Mr. Chairman, this kind of operation belongs to an age long past. The Liberal government and the Postmaster General in particular would be well advised to recognize that we have moved out of that era where this political patronage was an asset to a political party.

During the election campaign of 1957, and for a number of years prior to that, the Liberal candidate of that time used a great deal of his time, and in fact most of his campaign was based on being present at the opening of post offices and federal buildings throughout the constituency. He had no hesitation about making it evident that, as Liberal candidate, he got in touch with the Liberal government of that day and that credit should be given to him for getting the building. This was true of places like Taber, Brooks, and others about which I know. He was at the official opening and made it abundantly clear he was instrumental in seeing that the people got these buildings.

I want the Postmaster General—I see the Minister of Public Works is here too—to know that the electorate in the constituency resented it, rather than giving him credit for it. This pursuit of political patronage was not an asset but was a liability. I am not suggesting to the Minister of Public Works that this sort of thing is going on now. I am just telling him what happened at that time. Even at that time, this kind of patronage was a liability rather than an asset. The candidate's vote went down substantially after he engaged in this kind of activity.

I do not want to take a lot more time of the committee, Mr. Chairman. We have these lists. I hope the Postmaster General will resolve now that he is going to destroy these lists and use the officials within his department who are supposed to have some knowledge of the administration of the department when he needs advice. I can understand the frustration of some of the officials, the regional officials of the Post Office Department, when they try to do something on the basis of what is right and what is in keeping with good administration, only to be overridden roughshod by some political consultant who may not agree with what they are trying to do.

An hon. Member: A political hack.

Mr. Olson: Hack is the word. I say in all kindness to the Postmaster General that if he can get himself to change his attitude towards this political patronage and recognize that this is nearly 1964 and this kind of patronage is no longer any good, even for practical politics, then perhaps we can have good, solid administration of the Post Office Department. On the other hand, if he intends to pursue this business in the way he has, and in the way it has been done by almost all federal governments in the past, then I think we should have an investigation into the department. I think, too, that if he persists in pursuing this kind of administration, perhaps Canada would be better off if we had a different Postmaster General.

[*Translation*]

Mr. Caouette: Mr. Chairman, we are considering at present the estimates of a fairly important department, namely the Post Office Department, and the minister in charge is well-known to me since we were colleagues from 1946 to 1949. At that time, the Postmaster General (Mr. Denis) was a member of the famous "Little Chicago" sitting to the right of the Speaker, at this end of the chamber. The present premier of Quebec also belonged to that group.

We are happy to see that the minister has matured intellectually since then. At least, he seems to take his office seriously and I am happy to see him at the head of such an important department.

Mr. Chairman, there are only 15 items for this department; the estimates amount to $191,166,000 and the number of postal workers is 56,371.

Mr. Chairman, one has to agree that 15 items are not too many for such an important department. As a matter of fact, this reminds somewhat of the story to the guy who asked for a bowl of pea soup in a restaurant. When the soup was served to him, he noticed that there were only three peas in his plate. He called the owner of the place and asked him: "Tell me, where do you buy those peas?" The owner said: "Why do you ask?" And the man replied: "I never saw three peas that made so much juice."

As for me, Mr. Chairman, I never saw 15 items involving so many expenditures. It is indeed a remarkable thing.

Mr. Chairman, the previous speakers have mentioned the high degree of patronage dispensed in the Post Office Department. I will not accuse the minister himself of dispensing patronage, but I will surely blame the system and those who allow this system to be maintained not only within the Post Office Department but also in others.

As for the Post Office Department, I have already called the attention of the minister on the patronage dispensed in my constituency and after having asked a copy of the correspondence exchanged between an employee of the Post Office Department and my constituents, I received copy of letters from the employment division, the contract assessment and tenders division of the Post Office Department.

Mr. Chairman, I have here the correspondence exchanged since the month of May, that is since this government came into office, and October 25 last, that is less than a month and a half ago, between the department and Mr. Stephen Cuddihy, ex-Liberal candidate defeated by more than 11,000 votes on April 8 last.

Mr. Stephen Cuddihy is a young lawyer aged 26 or 27, who knows absolutely nothing about postal administration. And now the high officials of the postal department write to him to advise him that the appointment of Mr. Hector Villeneuve as postmaster at Rapide Sept was confirmed on October 25, 1963. What does a Rouyn lawyer care about the appointment of Mr. Villeneuve as postmaster? And that letter is signed by Mr. DeGaspe Tache, acting director of personnel.

If Mr. A. DeGaspe Tache, high official at the Post Office Department, is not aware yet of the fact that Real Caouette is the member for the riding of Villeneuve, I take it upon myself to let him know. I will also draw his attention to the fact that all federal hon. members, whether they are from the New Democratic, the Conservative or the Social Credit parties, are entitled to know what is going on in their riding, and that even if high officials of the department are concerned, whether it is Mr. A. DeGaspe Tache or Mr. R. A. Cathro, director of transport—whatever the names are—this sort of patronage must stop.

The people in my riding pay taxes to the federal government as much as the voters in the Postmaster General's riding, and the onus does not lie upon the high officials of the Post Office Department to decide who must pull the wires in a riding, on behalf of a political party, whatever it is. We must be more respectful of the principles of democracy, if we boast of living in a democratic country, because a democratic country is ruled by a government of the people, elected by the people and for the people. We must show some respect at least to those who are elected by the people.

On September 25, 1963, Mr. R. A. Cathro writes once again to Mr. Stephen Cuddihy:

> Mr. Sylvio Pilotte, postal contractor on rural route No. 1, Val Senneville, has requested a salary increase.
>
> Following a complete review, it has been established that $1,750 would be a fair salary for the work involved. This would represent a yearly increase of $175.
>
> Consequently, the department intends to increase Mr. Pilotte's salary from $1,575 to $1,750 a year, as from October 1, 1963.
>
> Yours truly,
>
> R. A. Cathro
> Director of Transport

What does that matter to Stephen Cuddihy? What has he got to do with that?

What has notary Morin of Val d'Or got to do in the management of the postal service?

But it goes even further, and I continue. I shall not quote all the letters, but I have one dated September 23, 1963, from Mr. DeGaspe Tache to Mr. Stephen Cuddihy, another dated September 9, 1963, from Mr. Cathro to Mr. Stephen Cuddihy, the latter concerning Mr. Ulysse Charette, of Sullivan, stating that his salary will be increased by $205.64 a year.

I have another letter written by Mr. Cathro to Mr. Cuddihy, on May 31, 1963. It is strange that Mr. Cathro never wrote me to ask for information or to make suggestions to me about the riding of Villeneuve.

An hon. Member: Because he was never asked for that.

Mr. Caouette: He was never asked for that.

I have a still better one, dated September 5, 1963:

> Mr. Stephen Cuddihy
> 90 Perreault East
> Rouyn, P.Q.
>
> Dear Sir,
>
> On August 24, 1963, we had to close down sub-office No. 1 which was situated at 607 Murdoch (Blue Sundries), because Mrs. Cotnoir, the postmistress, sold her store.

That small office was well situated to accommodate patrons from the western part of town who, mostly, must travel one mile to go to the main post office.

Those far-away patrons miss their small post office and make it clear to us in no uncertain terms and in the most democratic way, by circulating a petition on which we have about 90 names.

Mr. Cuddihy, I ask you to try and do something for them. I shall be pleased to open a new post office when I have the authorization.

If you require further information, do not hesitate to contact the undersigned.

J. C. Langlois
Postmaster
Noranda, P.Q.

The very person who gave tender forms to Mr. Cuddihy last fall for the repainting of mailboxes in the limits of Noranda. You remember that he gave him three tender forms and said to him: hand these to your friends and manage so that the one who deserves a favour from the government gets the contract. Things happened that way and those tender forms were presented to a garageman in Rouyn, his manager and his first salesman, who were asked to submit a tender at the Noranda post office, to Mr. Langlois.

Mr. Chairman, such behaviour should be stigmatized and those who put such methods into practice should be held up to public scorn. That is what I am doing at the present time in this house.

I am not surprised that the hon. member for Levis (Mr. Guay) does not understand those words, as he never understands anything.

Mr. Chairman, on September 3, 1963, Mr. Cathro wrote to Mr. Theo Beaudry and to Mr. Stephen Cuddihy, two former Liberal candidates:

Service: Louvicourt and Senneterre, contractor: Narcisse Grand'Maison, price: $3,588.80 a year, expiring date: December 31, 1963.

The contract in connection with the above-mentioned service expires on the specified date.

The department is ready to renew the contract at the present rate of payment, for another period of four years.

For four years, without calling tenders, at the request of former Liberal candidates from Chapleau and from Villeneuve.

The list goes on. On August 30, 1963, Mr. Cathro writes again to Mr. Stephen Cuddihy in connection with Duparquet.

On August 15, 1963, Mr. Cathro wrote to Mr. Stephen Cuddihy:

Service: Rouyn and La Sarre H.S., contractor: Mr. Rene Marchand.

The department accepts once more to renew the contract as of December 31, 1963.

On June 28, 1963, Mr. Cathro writes to Mr. Cuddihy:

Service: Amos and Val d'Or, contractor: Abitibi Provincial Inc., price: $1,983.63 a year, expiring date: September 30, 1963.

—The department would be willing to renew the contract at the present rate for a further period of four years—

On June 10, 1963, Mr. Cathro sent another letter to Stephen Cuddihy:

Service: Val d'Or, R.R. No. 1, contractor: G. Henri Tremblay, price: $1,550. a year.

Expiring date: September 30, 1965—

In that case, the department is again willing to renew the contract.

This is what Mr. Cathro wrote to Mr. Stephen Cuddihy on June 3, 1963:

Service: Val d'Or and parcel post delivery, contractor: Mrs. J. Rousseau-Rivard, 856 Fourth avenue, Val d'Or, Que., price: 10 cents per item—

I should like to draw the minister's attention to the price of 10 cents an item which is paid to those who handle parcel post delivery to residences and places of business. In my opinion, that is not enough. The price paid is far from being sufficient since the contractors get into debt, especially in a district like ours where the climate is fairly harsh.

Along the same lines, the department pays only $1,150 for mail transportation to settlements like Mont Brun. That is not enough; the price should be raised by $200 at least.

Mr. Chairman, a few minutes ago, we were talking about two lists of consultants, that of the Conservatives and that of the Liberals. The Liberal consultant in the riding of Villeneuve is Stephen Cuddihy. There is no mistake about that since his name appears on the list which also states that the member of parliament is Real Caouette who may be addressed familiarly in all correspondence. That is the close relationship I have with the minister—

Mr. Turner: Quite an honour.

Mr. Caouette: Indeed.

Mr. Chairman, the list of consultants is obviously a patronage list. Furthermore, I would say that there is no difference in that respect between the Conservatives and the Liberals. The former did exactly the same thing as the present government. Thus, last year, the consultant in the riding of Villeneuve was Mr. Cloutier, a former Conservative candidate. The Conservatives wrote letters and acted just like the Liberals are doing now.

Mr. Chairman, we can understand members having personal friends in their constituency. However, we do not believe the Canadian people should pay the costs for political patronage. That a well-known man should be favoured instead of another one, prices being equal, there is nothing to say

against that. But there are lots of small contracts, of small jobs, which are authorized without public tenders. That is where, it appears, political patronage is practised to the greatest extent.

If we make the total, we find that tremendous amounts are spent to the advantage of friends of the government. I do not say the Liberals only practise that policy, for the Conservatives did exactly the same thing. Besides, the estimates of the Post Office Department we are discussing—the Postmaster General mentioned that in his opening remarks—were not prepared by the present government, but by the former government, that is by the Conservatives. Those are the estimates we are asked to pass today.

When the Conservatives attack the Liberals, after having done exactly the same thing, I do not believe very much in their sincerity.

A while ago the hon. member for St. Mary (Mr. Valade) tried to explain the difference between the list of the Liberals and that of the Conservatives. In fact, he blundered thoroughly and his explanations did not stand to reason. We had proof of political patronage during the Conservative administration, as we have, today, under the Liberal government, with letters from the Post Office Department providing for the distribution, for instance, of mail contracts and the openings of post offices through the representative of the party in office in the constituencies concerned.

Mr. Chairman, I strongly object to such a way of doing things in our counties. We have not been elected to parliament to play politics, we have been elected to represent our respective electors, whether they voted Liberal, Conservative, Social Credit or New Democratic party.

Mr. Chairman, those people are worthy of respect and I think the fairest procedure for any department is to keep the member of parliament aware of what is going on in his constituency, of the projects which are to be carried out. Then, we could boast that we have democracy.

But if the government has the right to select his supporters and ignore the opposition parties, I wonder what difference there is between being red in Ottawa and red in Moscow—

Some hon. Members: Oh, oh.

Mr. Caouette: —where no one has the right to live, nor to give his opinion and where opposition is not tolerated.

The government has the responsibility to respect the basic principles of democracy. Those principles consist in respecting those who were duly and legally chosen by their electors.

Those are the observations I had to make and the suggestions I wanted to offer to the Postmaster General whom I have known for many years.

I know he is a Liberal through and through who flaunts the colour he represents, but he is also a gentleman and as I said at the beginning of my remarks, I never try to attack men as men, but rather to criticize systems.

I understand that we cannot reach perfection, neither with the present Postmaster General nor with those who will succeed or have preceded him, but one must try for perfection so as to reach a higher level, to come to a better understanding and a greater mutual respect.

In closing I will say that we are prepared to vote the estimates of the Post Office Department and that we are prepared to state, if other parties agree that there be no more speakers—in order to speed up the adoption of those estimates—we, in this corner of the house, will not have any other speaker this afternoon.

However, if others are to rise, then we will follow suit. On the other hand, we are ready to co-operate so as to vote those estimates as soon as possible.

[*Text*]

Mr. Winkler: Mr. Chairman, although I appreciate the offer just made by the hon. member for Villeneuve and assure him through you, sir, that I will be extremely brief, I feel it is my duty to mention a few points at this stage of the minister's presentation. I must say at once that I have a very high regard for the officials of the Post Office Department, the people who do the work of the department in all its various branches. They have been extremely courteous so far as I am concerned and I feel this cannot, at this particular time, go unnoticed or unmentioned.

In referring to the speakers who have preceded me, Mr. Chairman, I should mention this particular point. I do not think too many of us in the house doubt for one moment that degrees of patronage are probably practised in any government. It is not the existence of the minister's list, that I had the privilege of producing, that I disagree with, although I am opposed to such practices and I do not care who carries them out. What I am opposed to, and what I object to, is the way the minister misled this house. We can think of cases in other countries where ministers of the crown have resigned for this sort of thing. Recently in Great Britain, for example, for statements that I would say

were of no greater consequence or significance, the minister in question was not forced to resign—although perhaps he was forced to resign—but resigned of his own choosing. If we go back to the days of Hugh Dalton we recall that that minister resigned of his own accord. There are other similar situations, of course.

The point is that it is a matter of principle. If the principle cannot be upheld by the members of this chamber, then it is high time that the people took a good look at those occupying the treasury benches. In my estimation the matter was so serious that at the time the situation arose I requested that the minister resign his seat. This did not happen, of course. The Prime Minister did not see fit to remove him either. Therefore the Prime Minister must also take responsibility for this particular incident.

I listened with interest to the hon. member for Danforth. He made many points in his address which I thought were fair and well directed. I will not reiterate them, but in my opinion he made some very fair suggestions in his remarks. Along the lines of what the hon. member had to say there is the matter of consideration for people in contract post offices, not only with regard to the standard of remuneration they receive for their premises and their efforts, but also from the point of view that it is high time we gave some consideration to some method of giving them a holiday period each year, whether it be a week or two weeks. I believe this matter deserves consideration.

The hon. member for Danforth also referred to discrimination within the department. I too believe this exists. I could give examples at length but I will only mention two cases. I had more reason for criticizing the minister, on the occasion of the production of the list, than that particular incident. The case I am about to refer to caused me much greater anguish. I would ask him to note the date. On April 9 of this year in one of the areas in my constituency a lady who occupied the position of junior clerk was relieved of her position, because of a situation that existed in her family the day before, with regard to certain efforts put forth in the conduct of the election on that day. I might say that in this case political patronage more or less backfired. She was engaged by the Grits in 1955, and because her husband was out of work he was given a very minor task on April 8 which resulted in the action taken in regard to her on April 9. The fact is that when I complained about the situation she was re-engaged.

However, not too many weeks passed before the position was made vacant again, and the job was transferred for listing under the civil service commission. I have no objection at all to the job being put under the civil service commission, but with this qualification: If it is the function of the Post Office Department to practise patronage and eliminate people who have a good history of service to the people of Canada in the department, then it is high time something were done, not so much in the department, but with regard to the minister himself; because I feel that is where the direction came from.

I also have a letter dated December 15 from the city or town, whichever category it enjoys, of Oakville. It is from a Canadian citizen and in his letter he refers to the situation in that post office by saying that it is the most disdainful thing that has happened in that community in the writer's memory. He states that Miss Jean Duncan worked in the government post office for nearly 20 years, that she was fired last July, and that she is a very capable and friendly coloured girl. He states it is the unanimous opinion of everyone to whom he had spoken regarding the matter that it is racial discrimination at its very worst. Although this despicable event took place last July the writer only learned of it recently, but hopes something can be done. He says he wrote to—and here I shall say "the Liberal member" so as not to involve him directly, who replied that he could do absolutely nothing.

I suggest to the minister that this case deserves a little consideration as well. There is one other point I should like to make before I resume my seat having to do with the statement of the minister regarding new issues of stamps next year. I wonder whether the minister has considered issuing a stamp, as recommended by the Royal Canadian Legion, to commemorate Remembrance day. The minister described some of the stamps to be issued and the occasions involved, and I believe this is one that the minister should consider. I would expect that representations have probably been made to him. If not, I make this request on behalf of this organization at this time. Before I resume my seat I should like to wish the minister well in his department and say to him "bon voyage".

Mr. Munro: Mr. Chairman, I am only going to speak for a very few minutes in order to comment on some of the remarks that have been made in the house this afternoon. In the short time I have been a member of the house, a little over a year, I cannot recall any other occasion when there has been such hypocrisy as was practised in the house this

afternoon. We have heard from all the statesmen this afternoon. We have heard the hon. member for St. Mary talk about the deplorable practice of patronage. We have also heard the hon. member for Danforth and the hon. member for Villeneuve speak in similar vein, all of them members of such sterling character that they would resist the common temptations to which we all succumb now and then. We have also heard from the hon. member for Grey-Bruce—

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

Mr. Munro: —and I imagine we are going to hear from—

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

The Deputy Chairman: Is the hon. member rising on a question of privilege?

Mr. Valade: I should say a point of order. I am sure the hon. member has made a slip of the tongue when he has referred to the hypocrisy of certain members this afternoon. I do not think this is quite parliamentary. I should like him to revise that word because if he wants to talk about hypocrisy I will reply to him quickly.

Mr. Munro: Mr. Chairman, the only comment I wish to make is that I could understand such an objection coming from other members of the house, but after the personal abuse and vindictiveness this particular member heaped upon the Postmaster General not more than three quarters of an hour ago it seems very strange that he should raise a question of privilege at this time. However, to save the time of the house I am quite prepared to change "hypocrisy" to "exercise in insincerity" if that will please the hon. member any better.

Mr. Nowlan: It may not be better, but it is parliamentary.

Mr. Munro: I suppose we are going to hear the issue of patronage ragged to death for the rest of the afternoon. In my opinion this involves a greater waste of time, so far as the taxpayers are concerned, than the picayune patronage in lists like these. I will be the first to concede also that waving these lists, on which the name of practically every member of the house is to be found, outside of the minority parties, is also a complete waste of time.

Mr. Peters: Our hands are clean.

Mr. Munro: I would be the last to defend patronage. I think that the situation certainly calls for a review. It may be that so far as our own party and the official opposition are concerned the issue of patronage should be resolved by deciding to do away with it. But until it is resolved it certainly seems strange that it should be laid at the doorstep of one particular cabinet minister and that he should be pilloried when all of us, except those in the minority parties, have participated in this practice in years gone by.

Therefore I hope that for the rest of the afternoon we can be spared hearing the saints talk about the terrible evils of patronage as it has been practised in the Post Office Department. Some of my friends in the official opposition have been here longer than I have and they will know how many letters one gets in a year, from the Postmaster General. As far as I am concerned, I do not believe we get very many, and they usually have to do with a postal station in one's area that probably pays so little you cannot find anybody to take the job anyway. Therefore I do not see why such an issue should be made of this matter. In many cases it is probably an assumption by a particular member of a duty which removes a headache from the department itself. But I do think the sooner we remove this practice the better. But when week after week members of the house, many of whom have been involved in this process and whose names appear on the list, get up and talk about patronage and its evils, and suggest it is confined to one party,

An hon. Member: Sit down then.

Mr. Munro: The hon. member for Villeneuve is one of the members of a minority party which I cannot be convinced would be so superior that any administration he headed would be absolutely pure.

I should like to comment also on what I consider a rather unfair criticism, although the hon. member for Danforth had many constructive remarks to make. He was one of the few hon. members who did have constructive remarks to make. He referred to the question of collective bargaining rights and binding arbitration for postal employees. I stand to be corrected, but as far as I am aware this is a civil service matter. Certainly it is not an issue which can be laid at the doorstep of one cabinet minister rather than at the doorstep of the government as a whole. The hon. member for Winnipeg North Centre asked the Prime Minister a short time ago about the plank in our party's platform for the 1962 and 1963 elections with regard to collective bargaining rights and binding arbitration for civil servants. The Prime Minister indicated then that we were committed to the proposal and would bring it down in due course. We have been in office about

eight or nine months, so I think it is reasonable to allow the Prime Minister and the Liberal party to bring down this legislation sooner or later, instead of criticizing the minister of one particular department. This whole exercise about post office patronage reminds me of some of our more insincere members of the house. One hon. member receives quite a bit of publicity in connection with post office patronage and starts a bandwagon rolling. Then all of a sudden we find many in the house want to get on the bandwagon, too. The bandwagon is getting a little overcrowded and I think we are all beginning to look a little ridiculous. I hope the rest of the remarks which are to follow deal with some of the more pertinent aspects of the administration of the Post Office Department, rather than being continually surfeited with sanctimonious speeches about patronage.

Mr. Nielsen: Mr. Chairman, my remarks will be very brief. I do not agree with the hon. member who spoke last, because I feel that if we take up the time of the committee discussing patronage in the post office, or in any other department, and if as a result of that discussion that practice is eliminated, then I think we have accomplished a great deal.

Mr. Chapdelaine: Why did you not abolish it when you were in power, then?

Mr. Nielsen: I do not care when the practice grew up. If it grew up in 1867 I think it is still a bad practice, and that has always been my position. If the Postmaster General looks at his department's files he will discover that I expressed the view on previous occasions that where public goods and services are involved every Canadian should be given the opportunity to tender for a contract. That was the practice followed in my constituency, and it has been followed since 1957. Not a contract went out without a bid being called for publicly, giving everyone the opportunity to bid regardless of what his politics were; and the lowest bidder got the contract. I did not speak on the estimates of the Minister of Public Works last night, but if he looks at his files I am sure he will find representations made by me to the same effect. If the Postmaster General would follow that practice we would not find instances, which I will describe briefly this evening, which are again arising in my constituency. As they arise in my constituency I am sure they also arise elsewhere. I am referring to instances where there has been a departure from the fair procedure of calling for these contracts by public tender.

I mentioned to the minister the other day the opening of the new post office at Ross River. I suggested to him that there was an instance where, instead of advertising for bids for the performance of this service, a selective procedure was adopted whereby only a certain carrier or carriers were asked to bid. The Postmaster General said at that time that he would look into it, and I hope that if he caught the matter before the contract was actually awarded he will have been able to revise the procedure and call for public tenders on that particular contract.

There have been other instances. In his opening remarks the Postmaster General said there was not one single breach of the Post Office Act in the administration of his department since he took over as Postmaster General. The Post Office Act, if it authorizes the procedures which I have described and will be describing in a moment or two, is nothing more or less than legalized patronage, which I think is wrong. If the Post Office Act is to blame, then it should be changed.

I should like to draw the attention of the minister to the sessional papers which were tabled in reply to a motion which I had put on the order paper, I believe No. 1,170, for all copies of correspondence between the post office department and the officials thereof, and Mr. Wylie and others in Whitehorse. In the correspondence tabled was a letter from the director of transportation dated October 24, 1963. This letter concerns a contract for the carrying of mail from Dawson Creek and Whitehorse. The total cost of the contract is not a trifling sum, as indicated by the hon. member who has just taken his seat; the total amount involved is $76,630 per year. I know that the Post Office Act authorizes the minister to renew a contract which expires after three or four years, but I want to make it clear that the procedure adopted in the Yukon, which I think should be adopted nationally, is that when those contracts expire new tenders should be called. Because in every case during the six years when the Conservative party were on the government side, when these contracts were called the government got the services for a cheaper price than the going rate at the time. With one single exception every one of these contracts was put out to public tender on expiration of the contract. The exception was a case in which I made representation on behalf of a Mr. George Simmons, because he happened to be the brother of the Liberal candidate who ran against me in 1957, and I did not want him to think that I had exercised a prerogative as a member of parliament to do him out of a contract just because he happened to be on the other side of the fence. If the minister examines the records he will find that when that contract

did go out to public tender at the next expiration date the savings to the government were almost $4,000 per annum, and the incumbent, Mr. George Simmons, was the twelfth highest bidder. In other words, he was the highest bidder of the 12 who submitted bids, and the contract was let for something over $9,000 compared with well over $12,000 previously.

This $76,630 contract expires on March 31, 1964. The letter reads as follows:

> The contract for this service expires on the date indicated.

That is, in March, 1964, so there is still time to do something about it.

> The department proposes to issue instructions authorizing the renewal of the contract at the existing rate for a further period of four years.

That, I say, is wrong. Tenders should be called. There are other trucking companies on the highway which can compete with the existing holder of this contract and the minister will probably find that a saving to the taxpayer would result. The letter of the director of transportation goes on to say:

> As this service operates in the electoral districts of Cariboo and Yukon, a copy of this letter is being sent to persons consulted for these constituencies.

I hope that these consultants, if they have any sense of fair play at all, will advise the minister that the fairest thing to do would be to call for public tenders so that all interested Canadians having transportation facilities on the Alaska highway may have an opportunity to bid on this contract.

There is another contract which expired on September 30, 1963. This contract, says the director of transportation in a letter of May 15, 1963, to Mr. Wylie in Whitehorse, expires on the day indicated, that is, on September 30, 1963. The amount of the contract is $8,954 per annum. Here is the rest of the letter:

> The department proposes to issue instructions authorizing the renewal of the contract at the existing rate for a further period of four years.

Again, let me say the minister would probably save the Canadian taxpayer money if he were to send the contract out for public tender. Even more important is the question of principle. The guiding principle, surely, should be that all Canadians have a right to bid on contracts for the supply of goods and services to the public.

The hon. member who spoke last referred to hypocrisy in amended terms. Since the minister has failed to agree with me that he has found the information which I suggested to him would be found on his files, I want to read a letter I wrote on January 29, 1959. I do not know Mr. Pageau personally, but he is one of the officials of the department with whom I had a good deal of correspondence during the six years before the government changed. Mr. Pageau will tell the minister of the true circumstances which have existed in the Yukon since I have been representing that region. When I have been advised by Mr. Pageau that a certain contract was expiring, and asking for my recommendations, I have in every instance, with the one exception I mentioned, written to him and asked him to send the contract out for public tender call. I said in writing to one of my local executives on January 29, 1959—and it was on or about that date that I wrote to Mr. Pageau to the same effect—

> The Yukon Progressive Conservative association supports the proposition that when these mail contracts come up for renewal, they should go out to public tender so that all who are interested may have an equal opportunity to bid on them. As you know, this was not always so in the past and there are still some mail contracts in Yukon which have been automatically renewed, thus precluding the opportunity which all citizens in the Yukon have a right to expect, viz., the opportunity to bid on all public works on an equal basis. We have always stood for this principle which, I think you will agree, is a fair one.

This is the stand which I took and which I have taken since I was elected to represent the Yukon, and I think the minister would be well advised to revert to that practice. If he does not care to do so nationally, or if he has trouble with his own backbenchers over this aspect of patronage, then at least let him do me the courtesy of treating the people of the Yukon in an equal and fair fashion.

In addition, I should like to ask the minister a further question. I learned from this correspondence which has been tabled that the postmistress in Carmacks has been dismissed. I should like to know why. In the letter advising Mr. Wylie of the dismissal, the acting director of personnel states:

> This is to inform you that instructions are being issued for a transfer of the Carmacks, Yukon, post office to Mrs. B. McKay as postmaster provided she possesses the necessary qualifications and can meet the requirements of the department.

I want to know if one of those qualifications is that she must be a Liberal.

An hon. Member: Political fitness.

Mr. Nielsen: Perhaps that is one of the qualifications. Most likely it is; I do not know. The people of Carmacks were getting good service. I dare say that if a petition were circulated, like the one which the hon. member for Hastings-Frontenac had sent to him, it would be found that the people of Carmacks were satisfied with the service they were getting. I should like to know why this lady was dismissed, and I should like to know

whether one of the qualifications of Mrs. McKay is that she is politically acceptable to the Postmaster General.

I have a further point to bring to the minister's attention. The wages that are paid to seasonal post office workers in the southern parts of Canada amount to 85 cents an hour. The wages paid to permanent personnel in the north are, of course, subject to supplementation by isolated post allowances; but these allowances do not apply to the seasonal staff earning 85 cents an hour. The same rate applies in the north. It was the hon. member for the Northwest Territories, who is also concerned about this, who drew the matter to my attention. If he speaks he may have something to say about it as well.

So I should like the minister to look into the question of those contracts. First, the Ross River contract. Why was that not put out to public tender, thus giving all Canadians an equal chance to bid in connection with this public service. The second was the contract for the carriage of mail between Dawson Creek and Whitehorse. The third was the contract for the carriage of mail between Whitehorse and Alaska Highway. That one, I assume, has already been awarded because it was on September 30, 1963, that it expired. I think I should also like to ask the minister to agree with my statement that in every case where contracts were called for public tender in the Yukon in the last six years there has been an actual saving in the taxpayers money by so doing.

I want to say a word or two about a matter referred to by the hon. member for Grey-Bruce. Patronage is a wrong principle on which to operate. I do not care whether it originated in 1867 or whether it was carried on throughout the whole of the years since that date. It should be dispensed with and disposed of by every government department, and there should be equal opportunity for all Canadians. I can remember a phrase which sticks in my mind, one of those phrases responsible for my getting into politics six or seven years ago. It was: "Fairness to all and favours to none". That is a sound principle and one which should be followed in all government activities. The minister's biggest single shortcoming in connection with this whole business of the production of lists and the question of patronage was the fact that he told the house when the matter was first referred to that there were no such lists. Then, on subsequent occasions, he admitted the existence of the list. Finally, belatedly, he produced the list. I feel that the minister has misled the members of the house, as the hon. member for Grey-Bruce put it. I think he should have resigned when it was suggested to him.

Certainly, not only the Prime Minister but all the occupants of the treasury benches are implicated. Surely it is not proper conduct for any member occupying the treasury benches to say that something does not exist which actually does exist. Not only did he deny the existence of the list, but when he finally admitted its existence he actually tabled it. This sort of conduct falls a good deal short of what I feel Canadians expect of a minister. Certainly, the tenure of the Postmaster General must be short indeed. I think his days are numbered. I feel the Prime Minister should have taken some action at the time when it became apparent the minister had misled the house. I certainly do not expect to see the Postmaster General after Christmas. I do say that, brief as the minister's stay in the department might have been, he cannot in all conscience expect to remain there after Christmas. I should like, therefore, to wish the minister bon voyage and Merry Christmas.

[*Translation*]

Mr. Paul: Mr. Chairman, it is with the utmost sincerity that, first, I wish to congratulate the minister for having been appointed to the high post he now occupies.

I have many personal reasons to offer him my congratulations. To begin with, he was born in my constituency, where the Denis family is highly thought of, in addition to being held in great respect by your humble servant.

I have no intention of delaying the adoption of the Post Office estimates, but, very briefly, I should like to bring up three points about which I would appreciate his opinion or that of the officials of his department. Here, incidentally, I want to congratulate those people for the excellent job they are doing and the efforts they are making to continually improve the postal service throughout the country.

First of all, I would like to tell the Postmaster General about the numerous protests we received, in particular from citizens in the province of Quebec, against the possible removal of the words "postes" and "postage" from the stamps. I believe that many members received such protests from all corners of the province.

In my opinion, there is an advantage to keeping this visible proof of bilingualism in Canada. I wonder if the hon. minister could review that decision, whether it was taken by him or by officials in his department. I am sure also that his colleagues in the Liberal party made representations to him in that respect. It is to be hoped that no change will be made in the printing of the stamps and

that those inscriptions will remain as they are now.

I should also like to ask the minister whether it would not be possible to suggest to the officials of his department to take into consideration, when assessing the value of mail contracts, not only the route but also the volume of mail to be delivered.

For a few years now, the Postmaster General has always considered distance as a primary factor in the case of a letter carrier but I think that today, in view of the ever-increasing volume of circulars and printed matter of all sorts which has to be delivered by the carrier, the officials of the department should also take into consideration the time it takes him to deliver his mail.

The Post Office Department should also consider a reclassification of post offices, especially semi-staff offices, where revenue is less than $3,000. I submit that the department should take into consideration the continuous increase in the cost of living, municipal taxes, rents, heating and electricity, so that in estimating the salary to be paid a postmaster whose revenue is less than $3,000, allowance be made also of the cost of living and of the various items I have just mentioned. Moreover, allowance should be made of the work that the postmaster is required to do in order to give satisfaction to the people he must serve as a postmaster.

Those are, Mr. Chairman, the few remarks I intended to address to the minister. And since there are reports that this house might be deprived of the presence of the minister in the relatively near future, I hope that if he is going to leave us, he will at least go to a more quiet place than this house. If that should happen, one cannot but bid him goodbye and wish him every success.

Mr. Balcer: Mr. Chairman, I should like to take a few moments to discuss a problem which, I think, is of interest to the house.

There are reports—and some people told me that it was a fact—that it was decided in the Social Credit party that every member of the house should give to the party coffers an amount of $3,000 taken out of their salaries. We have no objection to that at all. But I have heard that among them some had objected. I wonder if it is not the reason why some members of that party take liberties which, I think, are disgraceful, as far as the postal service is concerned.

I wish to refer more precisely to the fact that certain members take the liberty of using their franking privileges to distribute to Canadian taxpayers in certain constituencies their political propaganda. In this particular instance, it is about a publication of 50 pages or so, like this one, entitled "Proposition de reformes monetaires, Credit social", which has been mailed by the hon. member for Charlevoix (Mr. Belanger).

I do not see any objection to the Social Credit trying to save its sinking boat. However, Mr. Chairman, I should not like the Canadian taxpayer to pay for that propaganda.

May I quote the note which Mr. Antoine Belanger, member of parliament for Charlevoix, has forwarded to hundreds of residents of the constituency of Charlevoix-Saguenay together with a copy of a publication like this one.

After receiving one of those booklets a voter in the riding of Charlevoix asked me to protest in the house, if you please, and to tell the member for Charlevoix that if he insisted on annoying people with such propaganda, the least he could do would be to stop making them pay for this mail service.

Mr. Chairman, this session is already well advanced, otherwise, I feel that the hon. member should be called before the committee on privileges and elections of this house. However, since it is getting late, I hope he will note these protests and immediately stop using public funds and the postage-free mailing service for such doubtful political progaganda as that of the Social Credit party.

I see that my hon. friends opposite seem to have fun because I accuse the members of the Social Credit party. Well, hon. members opposite should indeed feel that the hat fits them also, because they have also been guilty of this unfairness to the taxpayers.

Mr. Marcoux: Mr. Chairman, I rise on a question of privilege. I should ask the hon. member for Three Rivers to alter part of his last statement, and that is to replace the name "Social Credit" by the expression "Ralliement Creditistes."

Mr. Balcer: It is with great pleasure that I accept that suggestion.

Mr. Caouette: Mr. Chairman, I also rise on a question of privilege. The hon. member for Three Rivers just quoted a Social Credit pamphlet distributed by the hon. member for Charlevoix (Mr. Belanger).

Mr. Pigeon: At the expense of the state.

Mr. Caouette: I bring to the attention of the house the fact there is a difference between doctrine publicity mailed by the hon. member for Charlevoix and the purely political propaganda distributed at the expense of the Canadian taxpayers by the Conservatives when they were in power.

The Chairman: I am sure the hon. members will agree that there is no question of privilege here and I ask the hon. member for Three Rivers to continue.

Mr. Balcer: If it was done in the past, that is no excuse to do it now.

The hon. member for Villeneuve proved nothing and only made a wild charge. I have here a letter from the hon. member for Charlevoix. I think it is scandalous to use Canadian public funds for such propaganda.

As for our hon. friends opposite, I should simply like to call their attention to those intriguing letters sent all over the province. It is an insult for the Canadian people when the hon. member for Terrebonne (Mr. Cadieux) speaks about a great member of parliament, the hon. member for Dollard (Mr. Rouleau), chairman of the caucus, and reports on all his activities. Reference is also made to the Prime Minister and the newspapers of this country are asked to use that propaganda paper to heave this country out of the mess it is in.

Indeed, the time has come to put a stop to such practices. Let us think of the taxpayer and do away with such practices.

[*Text*]

Mr. Howard: Mr. Chairman, through you I would like to say to the minister that a few years ago I enjoyed very much participating with him in another activity when he was the captain of a bowling team of which I was a member. He is a good bowler; in fact he is a better bowler than he is a Postmaster General, if his first few months in office are any indication.

Mr. Denis: I am improving every day.

Mr. Howard: The minister says he is improving every day. If he improves every day as a bowler that is not possible, because in the first place he is a prime bowler; but if he says he is improving every day as a Postmaster General, all I say is that he cannot do anything else but go up, when he is at the bottom. However, I do hope that the remarks about his departure are not well founded and that he stays with the government, with his present post, so that in time to come we can see whether or not he and his government do improve.

Unfortunately, the hon. member for Hamilton East does not appear to be in the chamber, but I would like to make a few comments about his remarks. Initially let me say I agree with them, in so far as conduct of this kind is concerned. It makes me wonder, though, whether the hon. member for Hamilton East, and others of his party, would have the same views if the Conservatives had not had the discretion to disclose the patronage or consultant list in the first place. But once it has been disclosed, I think he tried to make the best of an awkward situation.

I do not want to deal with that list in any way at all, except to attempt to be helpful to the Postmaster General. I would say to him that if he is going to maintain such a list of consultants, and if he wants to use that list for greater efficiency in the operation of his department, I would be very happy if he would consult with me about the person on that list from Skeena, because I can name many more competent people than the one he has presently listed.

The person on the list is neither able, competent nor interested in assisting any of the activities of the office of the Postmaster General and, apart from that, he does not live in the riding, but rather in Duncan on Vancouver island, and has relatively little contact with the constituency. Now, he might make a good consultant for my hon. friend from Nanaimo-Cowichan-The Islands, if he so desires, but I would be happy to talk privately with the minister, or express publicly now, alternate consultants for Skeena if the minister wishes me to help him.

I should like to confine the remainder of my remarks to one phase of the activities of the department which was very disturbing to many members of parliament when it was first instituted. I am referring to the so-called spy system in some of the post offices throughout the country, the system whereby closed circuit television cameras are used—if that is the mechanism that is used—and one-way mirrors or peepholes to permit officials of the department to spy upon the activities of other employees in the department in the functions that they carry out during their work day.

This of course is automatically an invasion of the right of an individual to privacy. It casts serious reflection and doubts upon the honesty of employees in the minister's department, and it is even more nefarious than that when these mechanisms for spying are installed in the washrooms in some post offices.

An hon. Member: Male or female?

Mr. Howard: My hon. friend will have to ask the Postmaster General about that point.

An hon. Member: How do you know they exist?

Mr. Howard: I know they exist because I take the word of members of the cabinet who have proclaimed in this house that they do exist, and the word of people in the Post Office Department to whom I have spoken and who say they exist. But the interjection by the hon. member opposite about whether these are placed in male or female washrooms, or both, does raise the question of what sort of people are employed to use these spying mechanisms, and what is the classification given by the civil service commission to individuals within the post office structure

who actually do the spying into washrooms in the department, spying on the activities of the individuals who use the washroom facilities. There are some who have particular aptitudes which one might class as voyeuristic, and who might fit well into this category. But whether or not people with perverted ideas about what should take place in washrooms are employed in using these spying mechanisms, it should be disclosed. I understand from the communications that have been sent to me, and from discussions I have had with employees, that they are concerned about two things. They are concerned (1), about the system of spying upon them, because it is an invasion of their privacy, especially when it takes place in washrooms; and (2), they are concerned about the type of individual or just who it is who is watching them, as Big Brother is supposed to watch people, through peepholes or one-way mirrors to see what is taking place there. I think it is a regrettable situation that the Post Office Department has to engage in this sort of activity, which casts doubt upon the honesty of all the employees concerned and places them under a continual, daily cloud of suspicion even in so far as their most private moments are concerned.

I now wish to turn to another matter, Mr. Chairman. I have had a number of exchanges of correspondence with the minister about individual, local problems that exist in Skeena. I do not want to relate them all now to the minister or the committee, or place them on *Hansard*, so far as the pertinent details are concerned; but I do wish to make general reference to the fact that we have in the riding of Skeena communities which have a once a month postal service; once every month, in some of the communities, mail is delivered and once a month it is taken out again. This means that people often have to wait a month or a month and a half before they can deal adequately with any piece of correspondence. I am sure that people who are used to getting mail delivered on a daily basis would, if they just reflected on this and thought how it would be if their mail were delivered on a monthly basis, realize the inconvenience that exists for these people. In this enlightened day I think that to continue a system which has been in existence for many years now, namely mail delivery on a once a month basis to communities in this nation, is an unconscionable thing.

We have other communities in which the regularity of mail, as the minister knows, is twice a month, or on a two weeks basis. That is only half as bad as it is on the basis of once a month. We have situations in which mail cannot be delivered directly from one point to another, but you can look across the water and see the community to which you want a letter delivered. In spite of the proximity, you find it is impossible to put a letter in the mail and have it carried across perhaps two or three miles of water, even though a boat goes every day. You find it cannot be delivered to the other point directly, but instead it has to go 500 miles by air to Vancouver, wait in Vancouver overnight, be put on exactly the same plane that took it there the day before, and be brought the 500 miles back again to be delivered to a place that, as I say, you can look across two or three miles of water and see.

I think this is an unfair imposition upon people who happen to live in communities which are relatively more isolated than, say, large urban cities such as Montreal, Ottawa, or any of the other many, many communities and municipalities in Canada. I do not want to put all these things on the public record item by item or relate them orally to the minister now. We have had correspondence about them. The answer I received from the minister, though beautifully phrased and encompassing an entire page, winds up really saying that no change is going to be made to correct this situation. While I have communicated with the minister about this and intend to do so again, at this stage I wish only to ask him orally to please do something to correct this situation. If in this day and age people have to wait a month at a time to deal with their correspondence, it is a sad situation. They would like to see this matter straightened out, and I am sure the minister would also. If he would apply himself as assiduously to this question of providing adequate mail services to these relatively isolated and small communities as he applied himself to the job when he was captain of the bowling team of which I was a member, this problem would be solved before the end of the year.

[*Translation*]

Mr. Marcoux: Mr. Chairman, I was happy to hear the hon. member for Hamilton East (Mr. Munro) state a while ago that the names of members from third parties do not appear on the patronage lists. In fact, I noticed that we are not on the list of the chairman of committees nor on that of the deputy chairman of committees either because we had to wait until a number of members had concluded their remarks before we could have the floor ourselves. Anyhow, we do not complain about that because our conscience is clear since we are not included in any list.

Mr. Chairman, I think the Postmaster General's (Mr. Denis) ordeal is practically over. I shall be brief since, unlike the hon. member for Villeneuve (Mr. Caouette), we did not have the privilege of securing official

correspondence. We believe there has been a leak somewhere, but we do not know where.

Mr. Belanger: It was simply given by the government.

Mr. Marcoux: Mr. Chairman, I am told that it was simply given by the government. I am well pleased—

Mr. Belanger: All you had to do was to ask for it, by putting a notice of motion on the order paper.

Mr. Marcoux: Mr. Chairman, when I phoned my wife last night, I learned that someone who had asked for a letter of introduction during the weekend wished to have another letter. I must say that this letter was not to be sent to the Post Office Department, but rather to the Department of Transport—at least, I believe that it was to be sent to the Department of Transport; any way, it was not for the Post Office Department.

Finally, it appears that when the individual in question came to apply for a job, another letter was asked of him because the one he had was not good. They suggested he obtain a letter from the Liberal member in the constituency. Then, for the first time, I learned it was possible to have two kinds of members in my constituency: the member who was elected under the Social Credit tag, and another one who was supposed to have been elected under the Liberal tag.

And they even insisted to give his name. When it was mentioned it was lawyer Ovide Laflamme, my wife understood immediately it was not the Liberal member for the constituency, but the defeated Liberal candidate. I hope this elector was lucky enough to obtain a letter from the defeated candidate, since he was really in need. As far as I am concerned, I thought I could have helped in recommending him. I hope my hon. opponent agreed to give him a letter, so that he could obtain the job in question, since the recommendation from the member does not seem sufficient.

Mr. Chairman, I do not intend to insist too much on the question of patronage, since it is currently discussed, and is a state of affairs of which everybody is aware. We are still in the era of the "believe or die", when qualifications are more often based on political allegiance or existing lists than ability to fill the job.

I think it is time to put a stop to such a procedure, especially as members on both sides of the house spoke against that state of affairs, and I see no reason why the government should not decide, once and for all, to do away with those lists, or at least place them in secure places, so that the matter is not constantly heard of in the House of Commons.

Mr. Chairman, I wish to deal briefly with a problem concerning the Postmaster General.

A while ago, mention was made of new control or spying devices being used in the Post Office Department. I realize that such devices make it possible to spy, so to speak, into the private lives of many workers. However this does not necessarily mean that everybody is suspected. It simply means that all civil servants know there is a threat, a kind of sword of Damocles hanging over their heads, and that is for the purpose of preventing certain practices in use in the past. Maybe, it is a good thing, for fear is the beginning of wisdom. However, I hope that the department officials will never have to use those devices, since the employees know that they exist.

Mr. Chairman, I wish also to comment about the employees' efficiency rating. Naturally, the hon. member for Skeena (Mr. Howard) did not talk about that since it is the policy of a socialist government to have efficiency and efficiency rating. But I would say that efficiency rating is more often contrary to personal freedom than the means of protection which we now have, just as our buildings are equipped with protection devices against fire or against theft.

It is a question of protecting the employees who, being human, are liable to make mistakes or be guilty of some indiscretion.

In any event, the use of some efficiency norms interfere with personal freedom because the employees concerned are labelled beforehand by the officials in the department.

In fact, certain civil servants think that such part of the work must be done in so many minutes, that the employee should classify so many letters in a minute, in a quarter of an hour, or in an hour, and, in order to know whether that employee does his job well, inspectors are placed not behind spying machines, but in galleries next to the employee's place of work. I say this is really a derogation to human freedom, and I believe people who work efficiently should be trusted, especially when they work in an atmosphere where they have the feeling they are useful to the government and the public. I believe those people are able to do their work without always having inspectors watching them for efficiency.

I also wish to quote the case of certain extra workers hired for the Christmas season, for instance, sometimes through their member and sometimes through the defeated candidate, sometimes directly through the postmaster, which evidently may give rise to criticism. However, I wish to point out

that some voters in my constituency, who applied to their member were refused employment, while others were accepted because their letters of recommendation came from somewhere else.

There are also additional employees. In my constituency, I have heard of people having worked on a part time basis and rendered great services and then being told, after a year, that they had to be replaced since their job was only temporary. And they were replaced by other workers at a lower salary, as the latter had no claim to the increase which had been granted to their predecessors. As I said, I do not think it is a matter of a man's efficiency but rather a matter of discrimination for various reasons unknown to me.

Before closing, I should like to remind the hon. member for the Yukon (Mr. Nielsen)—whom as I have learned recently has been nicknamed Yukon Eric—that the whole Post Office Act should be completely amended and not the minister's attitude, because the act authorizes the minister to renew contracts without calling tenders, provided he is satisfied with the performance under existing contracts. That, of course, is left to his discretion. If he does not want to renew a contract, he can call tenders.

I made a thorough study of the Post Office Act last year because several cases were referred to me where people had lost their contract following a call for tenders while others could not get a contract even when they made a bid because the previous contract had been automatically renewed. I think it would be appropriate for parliament to take a look at the Post Office Act in order to put an end to that situation.

Before I resume my seat, I should like to wish good luck to the minister. No matter where he goes in the next few years, I am positive everybody would want to wish him well.

Mr. Perron: Mr. Chairman, I also would have been very pleased to congratulate the Postmaster General. However, the few comments I intend to make would not justify such congratulations, and that is why I shall refrain from offering any.

I have no intention either of speaking about patronage—the word patronage seems to grate on the ear of the hon. member for Hamilton East (Mr. Munro). I feel I have to speak of arrogance. One may be taxed with arrogance if, when duty-bound to inform somebody, he refrains from doing so by dodging the issue or hiding behind the rules.

At the beginning of October, in a speech I had described the Postmaster General as a real champion of patronage within the Liberal party, and I think that title fits him like a glove.

Earlier, the hon. member for the Yukon indicated that when the matter of a list of consultants in the Post Office Department came up in the house, the minister answered that there was no patronage list but he admitted a week later that there was such a list of consultants. It was even suggested, in some quarters, following that change of mind, that this would almost call for a resignation and that, in all fairness, the Postmaster General should resign. Some newspapers even dared to ask for such a resignation.

I should like to tell the house that that was not the only time the Postmaster General was not accurate in his answers.

As reported on page 676 of *Hansard* I asked the Postmaster General the following question:

Question No. 115—

Has a contract been awarded for the construction of a post office in Beauceville and, if so, who was awarded the contract and what was the amount of the tender?

The answer was as follows:

Mr. Badanai: Not as yet although tenders have been received and a recommendation made to the treasury board.

On page 3620 of *Hansard* for October 16, 1963, I asked question No. 1,220:

1. Why was it necessary to start building the Beauceville post office again?
2. Were the changes that have been carried out provided for in the plan originally accepted?
3. Are the changes to the initial project expected to increase the cost?
4. What is the estimated cost of the increased expenditures brought about by these changes?
5. Why was the original project changed after it had been accepted?

Here is the answer given by the deputy postmaster general:

1. Part of the structure had to be rebuilt due to an error in the plans.
2. No.
3. Yes.
4. $2,450.
5. Because, in the original plans, the floor level was too low as compared with the sidewalk level.

As reported on page 3743 of *Hansard* for October 18, 1963, I asked an oral question, following those answers. Here it is:

Mr. Speaker, I should like to direct my question to the Postmaster General, to whom I have given notice.

My question relates to the one bearing number 620, which appeared on the order paper and which has been answered.

What person or persons have been consulted for the choice of the architect responsible for the building of the Beauceville post office in the county of Beauce?

And here is the answer:

That is a question for the order paper—

Again I put on the order paper a series of questions which can be found at page 4669 of *Hansard* for November 13, 1963. Mr. Chairman, I wish to point out here that those questions were identical, in form as well as contents, to those asked by all the other members of the Ralliement Creditistes. All other members who had put similar questions got the appropriate answers with figures.

Here is question No. 1,428:

1. How many contracts have been let, or for how many contracts have bids been called by the Post Office Department since April 8, 1963, for the constituency of Beauce?
2. Who were the bidders on these contracts?
3. What were the bids of each of them?
4. To whom were the contracts let?
5. Who was responsible for distribution of tender forms?

The answers were as follows:

1. None. 2. Not applicable. 3. Not applicable. 4. Not applicable. 5. Not applicable.

I am the only one to have obtained such an answer. However, following the production of the list of consultants, I put another question asking for the tabling of documents. I have here the whole list of correspondence, as well as contracts reviewed from April 30, 1963 until November 1963.

I have here a written contract dated September 18, 1963, and sent to Mr. Jean-Paul Racine, in St. Honore de Shenley. I quote:

Dear Mr. Racine,

A request for an increase in salary has been submitted by Mr. Joseph Gagnon, mail transportation contractor operating between St. Georges West and Vallee Junction.

The case having been carefully reviewed, it is felt that $1,800 would be a just retribution for the work done. That would represent an annual increase of $251.

Consequently, the department intends to bring up Mr. Gagnon's salary from $1,549 to $1,800 a year, as from September 1, 1963.

The list continues, and it is rather a long one. It is addressed to the former Liberal candidate in Beauce county, who gives us an official answer. Now, as recorded in *Hansard* of November 13, 1962, the minister says exactly the opposite, that is that there was no exchange of letters, no contracts let.

That is why I say that that he is hiding behind standing orders to avoid answering questions which are entitled to a clear, precise and exact answer; I feel that in the present instance, the minister does not deserve from me any of the congratulations which other hon. members have lavished upon him.

Those are the few remarks I wanted to make, and I was anxious to make them because I am the only one to have received such an answer to questions similar to those asked by other hon. members.

If this is not a sort of patronage, then I think the word "arrogance" would be the most appropriate word for such a way of doing things on the part of the Postmaster General.

I heard the hon. member for Villeneuve say that the minister was, in the good old days, in 1946, a member of the Little Chicago in the house.

Well, in my opinion, the title I gave him in a speech I made in the house, in October, suited him perfectly.

I do not want to speak of patronage, but I can say that it is after many such arrogant actions that we, Social Crediters, have the right to say that if the people were aware of everything that goes on in the lobbies, they would not put up any longer with the old line parties in the house.

I was listening a while ago to the remarks of the hon. member for Three Rivers (Mr. Balcer) who said that, in a newspaper report, mention was made of $3,000 for our election coffers. In reply to this assertion, I can say that the old line parties also have coffers supplied from sources whose origin we sometimes know. That is why I do not hesitate to answer back that even though it were true that some members of the Ralliement Creditistes contribute to the activities of their movement in the province of Quebec, this is no reason to make charges; far from it, this is all to their credit.

Besides, certain political parties get their funds in Canada and even, sometimes, out of the country.

However, if these gentlemen think that it is in order to heave off our boat, I hope that it will not be the Three Rivers ferry that will change the situation, but the bridge that will be built with the shortest possible delay.

You will appreciate that with such arrogance, it is impossible for me to congratulate him about the way the officials responsible for the lists of consultants act. Here, I agree with the hon. member for Villeneuve when he says that it would be normal, when letters are exchanged in a riding which have to do with the spending of public funds, that the member for the riding be at least informed through a copy of the letter, even if they want to send one to the consultant, in order that he may know what goes on.

Those are the remarks I wanted to make. Whatever the result of the approval of the Postmaster General's estimates, I nevertheless wish him the greatest possible success should he be called to take on other duties, which would be a normal reward after some 30 years in politics. He deserves our whole sympathy, even if sometimes he does not get

our congratulations for a certain kind of work. I wish him, as did others, to enjoy at last the quietness he deserves.

[*Text*]

Mr. Weichel: Mr. Chairman, it is always interesting to speak on any departmental estimates, especially the estimates of the Post Office Department, for the simple reason that before being elected to the House of Commons as representative of Waterloo North I was postmaster and supervisor at Elmira for nearly 36 years. During that time I saw a great many changes. I understand that there are over 50,000 people employed in 12,000 post offices, and the postage required to handle the mail brings in revenues of more than half a million dollars each day. The greatest asset of the department is its nation-wide family of postal workers, and the principal reason for the respect with which the department is regarded by the people of Canada is the devoted service which this great body of men and women has given. Such service has played an important part in the nation's development. It has provided the all-important communications system without which our country could not have achieved its present growth and prosperity. We know that the Post Office Department can never be static, but I am sure that the future will see many more changes, and constructive changes at that. These changes rest not only upon new machinery and equipment but upon the traditional spirit of devotion to duty which has always characterized our postal employees, and the personal sense of responsibility on the part of each member of the service.

I was very much disturbed by the report that patronage is creeping into the service more than ever. I might say that if this is the case it could be the most damnable disaster which could ever happen to the Post Office Department. It has been brought to my attention that the federal association of letter carriers is protesting the disciplinary policy of the Post Office Department and, in particular, the sentencing of employees to salary reductions for petty or unintentional discrepancies. I understand that "unknown checks" are to be carried out on letter carriers—in other words, spying—and that salary reductions will be recommended for the least error. Surely such tactics are altogether unwarranted and I hope the department will abolish this type of punishment.

I am sure we all agree that people making applications for positions should have all the qualifications necessary for the work required and that these appointments should be approved by the civil service commission without interference from anyone. This is the only way in which this great service will be able to continue for the benefit of all people in Canada.

Most of us think of our postal service merely as an organization for transmitting mail, and though we may have daily contact with postal employees very few of us realize how extensive are its services and how diversified are its functions.

The size and scope of Canada's post office can be indicated by the following example. Let hon. members imagine, if they can, the combined weight of a thousand diesel locomotives. This would amount to slightly less than the weight of mail handled daily. As I have previously mentioned, there are over 12,000 post offices across the country. In some of our major cities these offices employ upwards of 4,500 people. In many other centres they are located in a general store or other central place where the only postal employee is a part-time postmaster.

More than any other government department or agency the Post Office Department is in direct daily contact with almost every Canadian, delivering each year an average of 225 letters for almost every Canadian man, woman and child in this country.

The previous government saw the need of improvements to the postal service in my constituency of Waterloo North, as well as in other places. We have a new post office in Kitchener, now nearing completion. We have one in Waterloo and, I understand, plans are being made for one in Elmira.

Perhaps one of the most important changes in postal rates was the four-cent local or drop letter rate of postage between Kitchener and Waterloo which was approved by the former postmaster general. In my remarks of April 13, 1961, which will be found in *Hansard* on page 3653, I referred to the possible application of the minimum four-cent local or drop letter postage between these twin cities. As members can understand, Kitchener and Waterloo at that time were classed as two separate and distinct postal areas. This has been of great importance to these twin cities, as well as others across Canada, and also has meant a great deal to the larger firms. Sub-offices are a great asset to any city, and Kitchener has had some new ones which have provided excellent service to people in such localities. Waterloo had its first such office installed under the previous government, and another one added some time later. I feel that Waterloo with its 22,000 people should have more than two such offices.

I would like to congratulate the Postmaster General on his appointment and, as a former employee, let me say I well understand that his position could become the most important in the government. Over the past five years,

while sitting in opposition, he asked the former postmaster general many questions during orders of the day. Yes, and some of them were of very little interest or value. I trust, now, that he will be ready, and indeed anxious, to answer any questions which may be put to him in his turn. I understand that the degree of activity since April 8 within this department has been, generally, nominal. In fact, a list of the activities which have been undertaken would include only a couple of new stamp issues, an extension of the stamp issue program and an increase in the postal rates governing a variety of items. The increase in registration fees is, no doubt, in keeping with the times, as is the increase in special delivery fees. However, I feel the increase is too severe. It could cost some of the larger firms thousands of dollars. The working man, with his small income, could also object to such a jump, as could the small businessman.

The rates of postage on third class mail and the fees on C.O.D. are to be increased as of April 1, 1964. I believe these changes should have been made effective on the same date as the changes affecting registration and special delivery, in which case the government might have increased its revenue by about $10 million during the Christmas season.

For some time I have been asking that part-time assistance in the post office could be employed through the civil service commission in the same way as full time employees. If this were done, these workers would probably give better service and they would also have the opportunity of enjoying superannuation benefits after they retire. At present, this is not possible. A number of years ago I had a lady working with me in my office. She was a part time employee. This lady is still employed there, and on her retirement she will walk out without superannuation or any benefits whatever. Surely such people should be given some compensation on leaving their positions.

I was interested to learn about the new promotion opportunities for postal employees as announced by the Postmaster General. In future, vacancies at semi-staff group 33 offices, of which there are 210 in Canada, will be filled by competition open to postal employees in the postal district. In the past, these positions have been open only to the residents of the community where the vacancy occurred. This is a welcome move. However, I believe this should also apply to members of the groups 30, 31, and 32 whose work is similar to that of the 33 group.

Another suggestion I should like to make is this, that the competition be extended to the whole province and not only to the district concerned. This will give a greater opportunity to postmasters and assistants in the lower group of semi-staff post offices who have the qualifications to compete for such positions. The present move will be welcomed by the Canadian postmasters association of which I was a member for many years. The officers and executives of this association have for a long time dedicated their services to the welfare of all employees, and former postmasters general under the previous government have recognized the valuable work of this association for the betterment of the postal service. I hope the present minister will accept the co-operation of this body and give careful consideration to all the suggestions which it brings forward.

The former government played a great part in making possible the progress of this department. In 1961-62, the volume of mail handled remained high. More than 4 billion pieces were processed. Revenue in that year amounted to $213,579,446 and represented an increase of $11,575,655 over the previous year. A revision in parcel post rates accounted for $8,600,000 and additional mailings of U.S. publications in Canada accounted for $1,400,000. The farsightedness of the previous government is best exemplified by the construction of the Sir Alexander Campbell building which brought the various divisions under one roof and allowed, for the first time, for a more closely knit organization with better inter-office communication and co-ordinated working facilities. The postage meter system was increased, or extended, in 1961-62 to an additional 62 offices. My former office in Elmira joined in such progress, which gives many firms the opportunity of using this service. I understand that this mechanical method of pre-paying postage is now installed in 1,163 Canadian post offices.

In the fiscal year, 1961-62, construction of 110 small and large post office buildings was completed, while 52 were under construction at the end of the year. The number of post offices accommodated in federal buildings as of March, 1962 was 1,121, while 940 offices were accommodated in leased quarters.

An important part of the progress made in 1961-62 concerned the letter carrier walks whose number was increased by 230. It now totals 104,603. The total number of calls has increased by 104,603 and totalled 2,999,969 at the end of 1961-62.

As a postmaster for over 35 years, and also supervisor of smaller offices in my district, I well recognize the fine work being done by all such supervisors. Such work was carried out by the former area superintendents, but there has been a change and now such work, as I mentioned, is being carried out by these postmasters.

The employees and the department have played a great part in the constant advancement and progress of this fine Post Office Department. Few of us realize how extensive are its services and how diversified are its functions. It has expanded, changed and adapted itself to the physical and economic growth of the nation. I may say to the Postmaster General that I hope in his travels he will visit all the smaller offices, as the former postmaster general did, and in that way become acquainted with the members of the staff and the work that should be done. From the smallest of beginnings, the Post Office Department has grown to a complex nation-wide organization that penetrates into the most remote corners of the country, swiftly and efficiently knitting together the threads of our national fabric. Yes, Canada's post office has an extremely appropriate motto: Service to the public.

In order that this advancement may continue, may I point out to the Postmaster General that all appointments must be made by the civil service commission, so that all applying for such work may have an equal chance of success according to their qualifications.

[*Translation*]

Mr. Ricard: Mr. Chairman, in taking part in this debate, I can assure you that it is not my intention to delay the proceedings of the house very long.

First of all, I would like to take this opportunity to greet the hon. member for Lotbiniere (Mr. Choquette), who occasionally visits us in this house. I would like to ask him to be indulgent and to listen to my few remarks.

I would also take this opportunity to congratulate the Postmaster General (Mr. Denis) for the confidence put on him by his leader when he entrusted him with the administration of one of the most important departments of the government, that of the post office. I was glad of that promotion which has been given him.

I have been one of the first to know him, and it was then both of us were delegates to the United Nations. I profited by his wide experience and his parliamentary life as well as by his sound advice and his company, for he is a very merry man, whom it is always a pleasure to meet. I believe that newspaperman Mr. Marcel Gingras, of "La Presse", has given proper credit to that personality in one of his recent life stories.

I would like to take this opportunity to pay tribute and at the same time thank the officials of the Post Office Department who are always at our disposal to help us with all the problems which we submit to them.

[Mr. Weichel.]

I can only say that my relations with them, and with the department as well, have always been most friendly, for we always succeeded together to solve the few problems which we had to discuss.

However, I wish that the Postmaster General had not, in his everyday work, preferred to follow the suggestions coming from outside rather than those formulated by the elected members of the house who deal with public affairs.

I feel that the minister would do well to change his attitude and to pass through elected representatives instead. As far as I am concerned, I can assure him that I would not abuse the privilege since I have only one ambition here, that is to serve my electors as well as I can.

Mr. Chairman, I wholeheartedly agree with what the hon. member for Berthier-Maskinonge-Delanaudiere (Mr. Paul) said. I shall not repeat the suggestions and recommendations he made to the minister but I should like to take this opportunity to stress certain inaccuracies and contradictions made by the minister in some of his statements concerning the increase in postal rates.

If my memory serves me well, he laid the blame on the wrong party at the time. He may not have used those very words but he nevertheless tried to convince his audience that the increase was due to lack of administrative ability by his predecessor at the head of the Post Office Department.

Like the hon. member who spoke before me, I regret the increases which the minister recommended because they are costly for the public. In the long run, Canadian taxpayers will have to foot the bill.

Mr. Chairman, I should like to remind the minister that when he was sitting on this side of the house, he did not miss a chance to advocate mail delivery twice a day. I wish to point out that it is now within his power to restore that service.

I congratulate the minister for having obtained salary increases for certain classes of employees, but I should like to associate myself with those who deplore the fact that he has not used his influence a little more, since this pay boost of $60 gives the parties concerned only 17 cents more per day. Everyone will agree that is not much, and the good job done by those people should have been better rewarded. As I say, the minister should have brought more pressure to bear and obtained a larger increase for his employees.

Mr. Chairman, since the Christmas season is almost here, I would ask the minister to kindly help me give a practical gift to the residents of four important parishes of my riding.

I refer to the parishes of St. Denis, St. Damase, St. Rosalie and Upton. With the co-operation of the minister, we could give those parishes a building for the post office, which the citizens of those parishes would welcome.

Mr. Chairman, in closing my remarks, I will say that, should the rumours whispered around parliament hill materialize, I join with other members of parliament to wish a most agreeable and most pleasant journey to my friend, the hon. member for St. Denis, Postmaster General.

[*Text*]

Mr. McBain: Mr. Chairman, my remarks are going to be as brief as possible, as I know the Postmaster General desires to have his estimates passed before this day's sitting finishes. I take this opportunity of congratulating him on the presentation of his first estimates. For a number of years I have enjoyed a friendly association with him in an organization that has previously been mentioned, the House of Commons bowling league, and I feel possibly I may have brought him along up to the presidency of that league because he followed me in that office. Our associations in it were very pleasant and I hope they will continue to be that way.

Before going further I also wish to congratulate the hon. member for Waterloo North, who this afternoon presented what I think was the second report on the Post Office Department, outlining in a very excellent way the activities of the department as carried out in previous years, and this was but rightly so because he is the only member of the House of Commons who was a P.M.—a postmaster—before he became an M.P.

The hon. member for Danforth brought a matter to the attention of the committee that I also wish to speak about, the reasons letter carriers are at the present time asking for a salary increase, collective bargaining and compulsory arbitration.

I do not know whether the hon. member brought to the attention of the committee that these requests were contained in a letter put forth by branch No. 1 of the Toronto association, but I do wish to support his remarks for the reason that branch 23 of the federated association of letter carriers of St. Thomas has also endorsed this letter and asked for the same consideration.

I now want to turn to a few items of a local nature in my own constituency. Before doing so I cannot let the opportunity pass without mentioning something about patronage. I am not going to be critical of the minister, because I do not recall that any patronage has been practised in my riding since I became a member of parliament. But I suggest to the minister that he throw away that Liberal list of consultants and make a new list, which would have on it the elected members of parliament; because they are the men and women elected to represent their constituencies here and, if anyone is to be consulted, they are the ones who should be consulted about matters pertaining to their constituencies.

Patronage was not practised in the constituency of Elgin during the previous administration, and more especially it has not been practised in the matter of rural mail carrier contracts. There are over 40 rural mail contracts in the riding of Elgin and during the past 10 years since I was first elected, to the best of my knowledge only a few of those contracts came up for tender. The reason a tender is called is usually due to the death of a contractor. These men and women are doing an excellent job and they see that the mail is carried and delivered every day regardless of weather conditions; and we all know that weather conditions, especially at this time of the year, are not always the best.

When these rural contracts do come up every four years and a contractor is doing efficient work, then I feel consideration should be given to the renewal of his contract. Many contractors fail to ask for their contracts to be reviewed after they have been in force for two years. They are hesitant to do so because if they ask for a review and an increase in their contracts, they fear they will lose them at the end of four years, and if patronage is being practised they are hesitant to ask for the consideration which is rightly theirs.

I now wish to refer to an election promise made during the last two election campaigns by the Liberal candidate in my riding, that if a Liberal government were elected a new post office would be erected in the village of Vienna. Last June I put this question on the order paper and it was answered on June 12, question 350:

> Is it the intention of the government to build a post office at Vienna, Ontario, this year?

The Postmaster General replied:

> No. This is a revenue post office, group 24, where the postmaster is responsible for the provision of the premises as part of his remuneration.

That is probably quite correct but I feel that certain discrimination is being practised against the residents of this community because the present post office is contained in a room no longer than the table in front of me here, and I believe it is only eight feet wide. Three miles to the south, in the village of Port Burwell they have had a new post office for some time and, five miles on the other side, Staffordville, also

has a new post office. Naturally the residents of Vienna cannot understand why these other two communities, one not nearly as large, have been able to obtain new post offices.

It is correct that under the present regulations the postmaster is supposed to provide the accommodation, but he has reached the age of retirement. He is now on extension and no doubt does not wish to go to great expense on his own behalf to provide accommodation that he may only occupy for a short period of time. I hope the minister will give serious consideration to see if some method can be worked out whereby this community can have a new post office.

The other item I wish to mention is the post office that has been promised for the village of West Lorne. Over the past number of years the residents in West Lorne have not been able to agree on a site, but in the neighbouring village of Rodney the Department of Public Works has already secured a site which has been cleared, and both town councils have agreed on it. I suggest that consideration be given to the building that was promised for West Lorne, and I believe that in the estimates of the Department of Public Works provision is made for that. It would be of great benefit if it were built in Rodney where a site is already secured.

[*Translation*]

Mr. Pigeon: Mr. Chairman, at the beginning of these short remarks, I would like to congratulate the Postmaster General on his recent appointment. I hope that during his short term of office he will take steps to further the public interest and that of his department.

I would like to offer him a few suggestions and, if he takes them into account, he will be considered, in his brief tenure, as an excellent Postmaster General who works in the public interest, in his country's interest.

First, the Postmaster General could study the possibility of closing post offices on Saturday. That practice is followed by some financial establishments, including banks, in Canada. On the other hand, the government of the Netherlands decided recently to close post offices on Saturday.

Second, I ask him to find a way so that letter carriers will not have to climb stairs to deliver mail to people living on the second or third floors. In my opinion, an arrangement could be made with the landlords and the tenants to have mail boxes on the first floor, so that those postal employees would not have to work under such inhuman conditions. I realize that they have to serve the people but the Canadian people, I think, would appreciate any change which might make the letter carrier's work easier.

[Mr. McBain.]

Third, the minister talked about new stamp designs. If he should like to have suggestions in that respect, he could ask the hon. member for Lotbiniere (Mr. Choquette).

I would also ask the Postmaster General to find a way to prevent the Post Office Department from being used to distribute communist propaganda. This problem is not new. However, it should be possible to find a way to completely stop that communist propaganda which is distributed throughout the country. Canada spends millions of dollars on national defence, against our eastern enemies. Therefore I find it illogical to allow the Post Office Department to distribute communist propaganda.

Before coming to the end of my remarks, I would like to point out that some members on the government side use official House of Commons stationery, as well as envelopes, and the House of Commons frank to mail Liberal party propaganda. I have the evidence here: House of Commons, Ottawa, Canada. It is a letter mailed to weeklies in the province of Quebec and signed "Jean Berger, Montmagny-L'Islet, publicity agent of the Liberal party, Ottawa". And the amazing thing is that he used an envelope with the frank of the hon. member for Terrebonne (Mr. Cadieux) on it.

I am of the opinion, Mr. Chairman, that government members should set the example and not have—

Mr. Berger: Mr. Chairman, I rise on a question of privilege. The hon. member for Joliette-L'Assomption-Montcalm implicated me. I did not know that the hon. member considered himself amongst the most uncompromising members. I take note of that. Now, coming back to the precise point he mentioned, I sent exact information to weekly newspapers, but I did not consider it necessary to mention the hon. member.

Some hon. Members: Order.

The Chairman: Order. The hon. member will admit that this is not a question of privilege but an argument, and he will probably have the opportunity to submit it later.

Mr. Pigeon: Mr. Chairman, my remarks were quite polite. I quoted a document which truly exists and the hon. member had his secretary put underneath his signature—on paper paid for by the taxpayers—the typewritten inscription "Publicity agent of the Liberal party, Ottawa".

Mr. Chairman, before I resume my seat, I should like to quote an article which was published in the Ottawa *Journal*, on November 14, 1963, and which refers to a statement

made by the hon. member for Northumberland (Miss Jewett) who, as we all know, sits on the government side. The article, which deals with the abuses of the government and the patronage within the Post Office Department, reads as follows:

[*Text*]

Dr. Jewett critical of politicians.
She said that the bids for rural postal routes, in particular, still operate under patronage.

[*Translation*]

Mr. Chairman, these were the few comments which I wanted to make and I hope that the Postmaster General will take up the suggestions which I made at the beginning. I would like to hear his comments.

Mr. Marcoux: Would the hon. member allow me to ask him a question?

Mr. Pigeon: Go on.

Mr. Marcoux: Has the hon. member ever sent a letter for propaganda or publicity purposes?

Mr. Pigeon: I did not make any publicity for my party in particular. I wrote to the local newspapers in Joliette-L'Assomption-Montcalm, and this is my right and duty as a member to give to the people an account of the work done by your humble servant in the house, Mr. Chairman.

[*Text*]

Mr. Webb: Mr. Chairman, I would like to take a few minutes of the time of the committee just to say that the Postmaster General has ignored every attempt to soften his heart and dispense with the old, Liberal party tradition of immediately firing everyone who dared to differ from their opinions or were even brave enough to express their own opinions. Many of these people, who are innocent of even being interested in politics, were dismissed because of the biased opinion of someone in their party or a member of their ranks. I could take up considerable time of the committee in telling hon. members of many such instances, but I will not because of experience in the past few weeks of complaints falling upon deaf ears. I also refrain from detailing these instances because I do not wish to take up the time of the committee. However, I take this opportunity, on behalf of the riding of Hastings-Frontenac, whose people are, I believe, the most loyal in the Dominion of Canada to our democratic way of life, to express to you, the Postmaster General, our good wishes for a very merry Christmas and a happy new year.

Mr. Douglas: Mr. Chairman, I merely want to rise and make an appeal to the minister to consider the possibility of providing house to house deliveries in smaller ciites where the geographical circumstances warrant it. I recognize that at the present time the regulations provide for only house to house deliveries in cities with a population of 5,000 and over. I believe that is the number. I have written to the present Postmaster General and to the previous postmaster general regarding the city of Port Moody, which is located along the Burrard inlet. Because there is a mountain on one side and the sea on the other, the city has had to stretch out over a considerable territory. The result is that many old people are 20 or 25 blocks away from the post office. I recognize that in many communities where there are 2,500 people in a compact area it is not much of a problem to go to the post office. But when a city because of its geographical features extends over a considerable territory this really works a hardship. I suggest to the minister that he take these geographical features into consideration. I do not think that the population figure alone ought to be the cut-off at which house to house delivery is provided. I should like to ask the minister to give some consideration to this point.

An hon. Member: Carried.

Mr. Douglas: May I say to the member who is saying "carried" that I have taken no part whatsoever in the discussion today and have taken none of the time of the committee. Therefore I reserve the right, if I choose to do so, to raise this matter with the Postmaster General at this time.

Item agreed to.

5. Operations including salaries and other expenses of staff post offices, district offices, railway mail service staffs, and supplies, equipment and other items for revenue post offices, including administration, $121,454,700.

Mr. Peters: Mr. Chairman, I am not sure whether the minister has referred to the matter of railway delivery but there is a great deal of dissatisfaction in my area with regard to the curtailment that is taking place in the sorting of mail on some railway runs. In my opinion this service has been a very satisfactory one. It was built up over a number of years and it has been particularly so in the case of small communities. Certainly this is true of places outside Toronto. I have had complaints of letters taking five days to be carried 100 miles. When letters to be carried from one community to another community ten or 15 miles away were sorted on railway mail cars the letters were put into a bag that was dropped off at the next point. If there are no sorting facilities the mail is sent to a terminal, is handled in that terminal and is returned, but only on trains providing the type of mail service involving delivery to each area.

This has been a problem in northern Ontario. There is considerable discussion about removing one of the trips of one of the major trains out of Toronto at the present time. This will curtail most of the mail delivery that used to be made, by reason of the train running from Timmins to Toronto on Sunday. This will mean that in many cases it will take more than 24 hours for the mail to go to the terminal point, be sorted and returned.

Despite what Mr. Gordon and others may say, the railways are not operating on freight alone but also on express and mail carriage, and if they did not have the revenue from the branch lines serving the less populated areas they would not be able to show a profit of any kind. I think the Postmaster General has a great deal of influence with regard to the service that is being provided in this field.

It has been said that mail delivery has been speeded up by the use of road transportation. To my knowledge this has never been the case. It has not been advantageous for me to mail a letter from Ottawa to my riding by air. There would be no advantage in sending it by air because if the proper train connections can be made, delivery is much quicker. We think that a plea should be made for those engaged in the mail sorting service. If the service is discontinued we will in my opinion be catering to the large communities with central distribution offices and central sorting services without providing service to as many Canadians as possible, regardless of population and what facilities they themselves have.

You can put a letter on the train in Swastika, for instance, and if there is a sorting service on the train it will be delivered to the addressee in Englehart in the morning. If it is taken to North Bay it is not returned until the next morning. If there is still no drop-off service on the train it will go back to the centre it came from and be returned to the post office as bag mail. This could take 48 hours. You could walk the distance in several hours and carry the letter with you.

In my opinion the department has always been very co-operative. They have considered this matter and some changes have been made that are advantageous. There was a time when, because of circumstances, mail from Ottawa went through the Besserer street post office and was delayed there. In particular, mail in brown envelopes was not given very much consideration and was often delayed. Mail that was sent to the station and put on a train providing drop-off mail service was there in a matter of 12 hours, at the start of the next business day.

I hope the minister has looked into this matter. I know that the former minister was quite concerned about it, not only in terms of the service in relation to the operations of the Post Office Department itself, but with regard to the whole matter of railway mail service to small communities.

Item agreed to.

10. Transportation—movement of mail by land, air and water, including administration, $64,650,400.

Mr. Peters: On this item I also have another problem to raise with regard to the communities that do not have a large enough population to warrant the type of name and street directory published by private enterprise in the case of larger centres. In my area there has been a reluctance on the part of one postmaster in Kirkland Lake to give much consideration to mail. I would not say this was on a political basis, but he seems to think that anything coming from Ottawa is propaganda and therefore really does not deserve much consideration.

In this municipality we have a very large turnover of population because of the type of people who lives there. Mining communities have always had a large turnover, and although directories may be issued only two or three months before we are sending out a large quantity of mail, we have found that in some cases returned mail has amounted to as much as 18 per cent. We had discussions previously with the director of the department. At the time he was interested in establishing on a trial basis an I.B.M.6 system which would require the postmasters in the town to make out a form when mail was undelivered and return that form so the directories could be brought up to date.

Before the last election the situation in my riding was probably worse than in any other, and because of the fact that we tried to give such broad coverage we ascertained that there was no way of establishing where people had moved to. The director was kind enough to put out a temporary list at that time in mimeographed form and we used this. We found that after only a month had gone by there was a 4 or 5 per cent change in addresses.

I think the suggestion of the director is one that merits some consideration at least on a trial basis. An I.B.M. form would be used and every urban or rural carrier who could not deliver a letter would note the change of address. This form would be returned to the district post office and referred to the directory section at Ottawa so the change could be made there. This was contemplated, but I have not heard anything more about it. I presume the matter has been neglected. I suggest this is a field where the rural directory has been serving a purpose and has been used by businesses and others interested

in securing mail coverage in their area. I believe it should be maintained, and if it is going to be maintained it is not much more expensive to keep it up to date. It is unfortunate that some of the postmasters pay very little attention to this matter. I have checked in Ottawa and I find that the rural carriers outside the city have cards. When mail is being delivered they try to ascertain to where the person to whom it is addressed has moved. The changes are made so that the change of address finally gets back to the distribution point where sorting takes place, and something can be done there to remedy the situation. In the case of Kirkland Lake, all it amounted to was that we took off the list the people we knew did not live at the address to where their letters were being sent. As far as the directory is concerned Kirkland Lake is short two or three thousand people who live in that municipality. In this connection I think a punch card system could be tried on a rental basis in an effort to bring the matter up to date.

This problem may not be too important to members of parliament, because it is interesting to note that if a member of parliament sends out literature and it comes back he readdresses it to somebody else and sends it out again. But from the point of view of the businessman, if he is using the directory for the purpose of furthering his enterprise, I think this would be very disconcerting. Therefore I hope the minister will let us know whether he can give some consideration to the rural directories, because a large number of ridings in Canada are affected in the way I have described. I believe it is a worth-while service which, with a little more effort, could be brought more up to date than it has in the past. The director which the minister has in his department is doing as much as possible with the limited number of people he has; but this is a big department and should get more consideration than has been possible in the past.

Mr. Barnett: I am rising to ask the minister to give careful consideration to a policy review in the department with respect to the present definitions or arrangements which would restrict the carrying of mails to scheduled carriers. I make this request with particular reference to the carriage of mails by air because of the very anomalous situations which may exist, and which certainly do exist on the west coast of Canada; reference was made earlier to this problem by the hon. member for Skeena.

By way of illustration I should point out that in actual fact much of the mail at the present time is carried on the coast by non-scheduled carriers. I happened to notice the other day that a complete polling station in the last federal election, where the address of all the electors in my constituency was provided, is listed as having an address in care of a certain air line, or one or two air lines. This is their postal address. Yet I know that neither of the particular air lines mentioned are officially carrying any mails. I do not know whether the Postmaster General remembers a discussion which took place in this house a number of years ago, when the esteemed late Mr. Cote was postmaster general, on the subject of what one member described as bootlegged mail. I very well recall how horrified was the then postmaster general at the suggestion that any of Her Majesty's mail was being bootlegged. I also recall that it was quite easy to tell where in the house those members who represented the more sparsely settled constituencies came from, because of the chortles of laughter which came from those particular spots in the house at the postmaster general declaring up and down that no such thing could possibly exist as the bootlegging of Her Majesty's mail.

I do know that, because of the present regulations, those in charge of trying to work out the best arrangement for the transportation of mails are often hamstrung, because of the existence of the regulations, in deciding what constitutes a scheduled carrier. I remember hearing recently the Minister of Transport say that he had discovered, while attending an international air conference, that in many respects Canada has a system of air transportation which is quite unique in the world. Many of our communities since the advent of transportation by air have become dependant upon a form of transportation which really has no parallel anywhere else in the world. I feel that the present rules and regulations concerning the transportation of mails have not, as far as I can see, been altered very much since the time when all mails had to be transported either by rail, or by water in areas where steamer transportation existed.

Apart from having developed certain arrangements regarding the rapid transit of mails on the cross-Canada runs we really have not looked into the problem of how the mail services could be improved by making use of the smaller air lines which, in many cases, are operating under a class three or even under a charter form of licence. I feel the time has come when there should be a much more careful look at this question from the policy level in Ottawa in order that the officers of the department who are concerned with trying to provide the best transit of mails can do a better job.

One of the considerations which the department tends to lose sight of is the community of interest in certain areas. There are areas in my constituency where it is a matter of a ten minute flight by air from one community to another, with planes running to and from these points quite frequently, but it takes at least a week for the transportation of mails. These are communities which are united in a geographic area of interest in such things as hospital districts, in such things as school districts, in such things as the administrative functioning of an Indian agency, where it is most difficult for ordinary business to be transacted within a reasonable period of time.

I have also had people complaining that they have practically been taken to court by the authorities in the provincial administration because they were not able to comply with certain provincial regulations regarding the filling out and return of certain forms and reports within a prescribed period of time. This is a problem which some of the smaller municipalities face in dealing with the department of municipal affairs in Victoria. I have discussed this matter from time to time with some of the officers of the department. I realize it is a very complex matter, one for which there is no easy or clearcut solution; but I feel that there should be a top policy review by the minister's department in Ottawa to see whether some better arrangements can be worked out.

The Chairman: Shall the item carry?

Mr. Peters: Before it carries, Mr. Chairman, I should like a reply from the minister as to what his functions are and what the department is going to do about the anticipated curtailment of trains 49 and 50, on the Toronto to Timmins service. The latest word I have is that it is the intention to drop this service entirely by April.

[*Translation*]

Mr. Denis: Mr. Chairman, in order to answer the question of the hon. member for Timiskaming (Mr. Peters), I must say that I do not know how we will manage, if certain lines are abandoned. We will then decide to organize the transportation of mail by land. I must emphasize here that we have done our best to obtain railway service, in order that a certain amount of mail could be carried by railway if the matter is not settled by trucking.

[*Text*]

Mr. Woolliams: May I ask one question of the Postmaster General. I have given him warning of this question on previous occasions. I know there have been some unkind things said, but I want to wish the hon. gentleman a very merry Christmas. And I want to ask him this: Would he mind explaining to the Canadian people and to the House of Commons why there have been no robberies since he took over his job of Postmaster General.

Mr. Denis: There have been some robberies since we took over, unfortunately, we have not had enough time to convince the thieves or robbers that they should change the bad habits they had formed under the previous regime.

The Chairman: That concludes the estimates of the Postmaster General's department.

[*Translation*]

Mr. Denis: Mr. Chairman, allow me to thank all hon. members and all those who contributed to the passage of my estimates. I thank them for the flowers, but somewhat less for the thorns. Fortunately, they were not too prickly and I think I can stand it.

However, with regard to my possible appointment to the Senate, it would be difficult for me to satisfy everybody. Some people want to send me to the other place, and others want to keep me here. I cannot cut myself in two and I suggest that the decision should be left to those responsible. Then we will know if the house loses or the Senate gains.

[*Text*]

LEGISLATION

The Speaker of the Senate—
1. Allowance in lieu of residence, $3,000.

Mr. Peters: This is a very important subject in my opinion and it is one which has not been looked at carefully for a long time. Many people do not realize the extent of the field which is covered by these estimates. The housekeeping of parliament has grown very greatly since the days when the Speaker and the Sergeant-at-Arms knew everyone by name. The time is ripe, in my opinion, when we should provide the house with a more efficient method of operation than we have been able to obtain under the present system. Most of the items under this heading, legislation, are handled, as hon. members are aware, by the officers of internal economy who include the Speaker and several members of the cabinet. We are all aware that most of the members of the eternal economy committee—

Mr. Woolliams: The eternal economy committee?

An hon. Member: What is the matter with "eternal"?

An hon. Members: You were right first time.

Mr. Peters: It may have developed to that point, and that is what I would like to change.

The operation of the House of Commons involves the equivalent of a town of fairly large size. There are, working here, more than 1,000 employees, and if 1,000 employees were working in a municipality, the operation of a municipality containing between 5,000 and 10,000 people would be provided for. It is true we do not have the responsibility for providing recreation for the children. We do not have many streets. We do not face a number of the problems with which a municipality has to contend. On the other hand, there are many which a municipality could avoid. The majority of the staff of the House of Commons do not come under direct control of the civil service. The staff employed in these buildings includes stenographers, messengers, protective officers, cleaners, employees of the Department of Public Works and, of course, members of parliament; but I suppose we would not include them, Mr. Chairman, in the working force. I suppose they amount to an additional 350 including the Senate.

An hon. Member: You were talking about workers.

Mr. Peters: Thus, we have a large number of people and it is doubtful whether an organization like this can best be handled under the system which was originally set up. I suggest the time has come when we should make changes. I should like to discuss some of the problems which face us and go into details about some of those problems in order that members may be aware of the situation which the Speaker has to face from day to day. I should like to spend some time commenting on the long range considerations which he has to bear in mind, and on the relationship which exists between the rules of this house and the actual operation. I should like to go into this question and make some suggestions for the consideration of the committee. I should like to call it seven o'clock and do all this at a later date when the estimates come before us again.

Mr. Pickersgill: It is not seven o'clock, and I hope the hon. member does not intend to deny me the right to say a word in the committee, too. The government, particularly to oblige the group to which the hon. member belongs, brought these particular estimates on at this time rather than at the usual time, at the very end of the estimates. This was done particularly to oblige the hon. gentleman. I may say that the other members of the committee enjoy listening to the hon. member and we would be willing to listen to him as long as he wants to talk about this matter. I suggest, therefore, that he accommodate the rest of us by getting right on with his speech.

Mr. Douglas: I do not know what the Secretary of State is trying to do, but there has been no accommodation. These estimates were brought down at five minutes to seven. My hon. friend has a perfect right to call it seven o'clock and continue his speech whenever the estimates are before us again. We did ask that they be brought on sufficiently early to allow of discussion.

An hon. Member: Why not get ahead now?

Mr. Douglas: There is no reason why we should continue. We agreed to sit this morning at twelve o'clock. We agreed to sit until seven. I see no reason why we should extend this sitting beyond seven o'clock merely because the Secretary of State wants to rush these estimates through in a few minutes.

Mr. Pickersgill: I think, on reflection, the hon. gentleman will consider that statement of his as being a most unfair one. I am not suggesting these estimates should be rushed through at all. What I said—and he can examine the words I used—was that I thought it was the sense of the whole committee that we were willing to sit here and listen to the hon. gentleman for as long as he wished to speak. That, surely, is not rushing anything. But there are 265 members in this house and some of us would like to get the business done in the present week. The hon. member has something he wants to say. We want to hear it. I do not know whether I am speaking for the committee generally, but I think I am, and I say to him: we are all ready to hear him for as long as he wants to go on, but we do ask him to make his speech now.

Mr. Barnett: I think the Secretary of State is making some inaccurate assumptions. We have, as a group, agreed that there should be an extension of time as suggested. It was certainly not the responsibility of my hon. friend from Timiskaming that these particular estimates did not come before us until five minutes to seven. The Secretary of State is right when he says there are 265 members of this house all of whom have the right to bring up matters which are of interest to them. I do not mind confessing, Mr. Chairman, quite freely that much of the discussion that occupied a good deal of the time this afternoon I considered to be quite inconsequential to the functioning of parliament, and much less important than the subject matter the hon. member for Timiskaming was discussing. This is only my opinion, however, and I do not expect it to be shared by

other members. I feel that I have been here and available during the hours that were set and that the hon. member for Timiskaming is quite right in his contention.

Mr. Douglas: It is seven o'clock, Mr. Chairman.

Progress reported.

Resolutions adopted in committee of supply this day reported and concurred in.

CONSUMER CREDIT

CONCURRENCE IN SECOND REPORT OF JOINT COMMITTEE

Mr. L. T. Pennell (Brant-Haldimand) presented the second report of the joint committee of the Senate and the House of Commons on consumer credit and moved that the report be concurred in.

Motion agreed to.

BUSINESS OF THE HOUSE

Mr. Churchill: May I now ask the house leader how much business he expects to get through the house tomorrow?

Mr. Pickersgill: I am not a prophet nor the son of a prophet. I think we will find that the hours—

Mr. Peters: Do not accommodate me tomorrow.

Mr. Pickersgill: I thank the hon. member for Timiskaming for his courteous interruption. For reasons which I do not think I should bore the committee by going into, we would like to start tomorrow with the estimates of the Minister of Agriculture; then, take the estimates of the Minister of Fisheries; then, the estimates of the Minister of National Revenue, and then the estimates of His Honour the Speaker. We would then take the estimates of the Department of Labour. After that, it seems to me that I could perhaps ascertain from hon. members which departments it would be most suitable to bring on from that time forward.

I should like to say that I seem to have been misunderstood a few minutes ago. I do not wish in any way to reflect on any hon. member in anything I have said. I have been trying, sometimes with rather a lot of difficulty, to accommodate hon. members in all corners of the house about sittings and everything else. There has only been one occasion during this session when the government has had to make a motion and divide the house on the sitting hours. I should like to be able to do that for the rest of the week to the end of the session. I should like also to have the session end at the end of this week, as perhaps could be accomplished because there have been very few sessions in the history of parliament when more time has been devoted to the consideration of the estimates than in the present session, if the hours are looked at. There have been a few, but not many. No one can say we have neglected consideration of these expenditures.

Now, of course, the Minister of National Defence will be back tomorrow as will the Secretary of State for External Affairs. The one department has only been discussed, but no items have been passed and the other is not completed. There are a number of other departments that have not been completed as yet. We cannot hope to conclude the proceedings this week without a certain degree of self-discipline. I do not believe, either, that because each of us thinks his speech is important, though some of us perhaps are occasionally resentful of those of others, we can accomplish our objective unless we are willing to make a serious extension of the hours. I am not going to ask now, but I hope tomorrow at the opening of the house there may be unanimous consent to sitting, from the opening of the sitting, without a break until some time late in the evening when there is a motion to adjourn.

Mr. Knowles: May I ask the Secretary of State whether there is any other legislation to come before this session? As a subheading, I mention the world's fair bill and the two or three Senate bills to which he referred earlier. Are those items still on the agenda or have they been dropped?

Mr. Pickersgill: So far as the three bills from the Senate are concerned, which I believe are non-contentious, I hope the house would be able to find time after the estimates have been concluded to consider them. I have said two or three times, that we are not going to hold up prorogation if they are not considered. However, they would have to be started all over again and they would take up a certain amount of the time of both houses at the next session if we do not consider them now. Hon. members have had these bills on their files for some time, and I believe they realize they would not need prolonged discussion.

In so far as the world's fair bill is concerned, the reason we did not proceed earlier is that there were discussions going on earlier this week which might have necessitated some slight amendment to the bill. I did not want to waste the time of the house by bringing it up until we were sure. I am not able to say for certain, but it may be we will have to take time to consider it.

Mr. Knowles: May I ask one other question? Has the Secretary of State in mind suggesting any additional extension of hours,

bearing in mind that he has done fairly well at this session by consultation and by getting co-operation? He has done rather well, has he not? It may be a good idea to continue with this, rather than just bringing it to the house cold.

Mr. Pickersgill: As a matter of fact, I thought I made it very clear in what I said earlier—perhaps I did not—that I was not asking the consent of the house now to the hours for tomorrow. I do not want to take hon. members by surprise. If I could get consent now, I cannot tell you how happy I would be. I am not asking for it. I am hoping hon. members will reflect upon it between now and the time of meeting at eleven o'clock tomorrow. Then at eleven o'clock tomorrow I could propose that an order be made that the house remain in session continuously throughout the day until a motion is made for adjournment, which would certainly be made before the end of that day.

Mr. Churchill: May I just ask the house leader if he will reconsider the proposed legislation that is still to come before us? So far as we are concerned we do not want to be put in the position of having to consider legislation at the conclusion of the estimates. We would rather deal with it before the estimates are concluded.

The reason I say that, is that the official opposition has shown as much desire as the government side to get the business of the house completed, but it is not in our mind at the moment that we would like to sit late, say, on Saturday or Sunday morning to consider some piece of legislation which we ourselves might not wish to debate at any great length. Much as we would like to accommodate other parties in the house, there is obviously a limit.

Mr. Pickersgill: With respect to the measure regarding the world fair, just as soon as the government is in a position to bring it forward, and that will not be tomorrow—but it might conceivably be the first item on Friday—just as soon as we are in a position to say definitely what we will do about it, I will indicate it through the usual channels to hon. gentlemen, and it would be our view it should be brought forward early, because it is legislation that has to pass both houses. These other small measures respecting the Department of Transport have already been through the other place. After we send the appropriations bill to the other place there is always a certain interval, and if they do not pass it in that interval we would not hold up prorogation if they had not passed it; but if it could be—

Mr. Knowles: We could have done all this in the time we are talking about it.

Mr. Pickersgill: Then I am prepared to propose them right now and get them disposed of. Do we have unanimous consent to do that, sir?

Some hon. Members: Agreed.

Mr. Knowles: The three are the Ontario harbours bill, the national harbours bill, and the carriage by air act.

Mr. Pickersgill: That is right. If you would call item No. 4 on today's order paper we could proceed.

HARBOURS

APPROVAL OF AGREEMENT BETWEEN CANADA AND ONTARIO RESPECTING PUBLIC HARBOURS

Hon. J. W. Pickersgill (for the Minister of Transport) moved the second reading of Bill No. S-5, to approve an agreement between the government of Canada and the province of Ontario respecting public harbours.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

NATIONAL HARBOURS BOARD ACT

SUBSTITUTION OF FRENCH NAME "TROIS RIVIERES"

Hon. J. W. Pickersgill (for the Minister of Transport) moved the second reading of Bill No. S-39, to amend the National Harbours Board Act.

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

On clause 1.

Mr. Churchill: I would like to ask the house leader if he wants me to check the French version of this bill, or will he leave it to the hon. member for Lapointe?

Mr. Pickersgill: As a matter of fact, I think it is a matter for the hon. member for Three Rivers to do, but perhaps I should give a slight explanation of the bill which, at first blush, looks a little silly. I am told, however, that certain lawsuits might take place and very large sums of money might be involved, if somebody got the idea before this bill passes; and the bill has a very practical effect.

Clause 1 agreed to.

Title agreed to.

Bill reported and read the third time and passed.

Business of the House

CARRIAGE BY AIR ACT

AMENDMENTS TO CONFORM TO PROTOCOL TO WARSAW CONVENTION

Hon. J. W. Pickersgill (for the Minister of Transport) moved the second reading of Bill No. S-37, to amend the Carriage by Air Act.

Motion agreed to, bill read the second time, considered in committee and reported.

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

Mr. Knowles: By leave.

Mr. Pickersgill moved the third reading of the bill.

He said: Mr. Speaker, before this bill is read a third time I should point out that it will be of great interest to our widows if we should die in an air crash, because it increases the liability for insurance.

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

BUSINESS OF THE HOUSE

Mr. Knowles: I am sure the Secretary of State would like to be able to answer another question so that he can show what a good mood he is now in. Is it clear that the only other piece of legislation for this session, apart from the appropriations bill, would be the one regarding the world fair?

Mr. Pickersgill: That is a very embarrassing question. I do not know whether the hon. member for Winnipeg North Centre knows quite how embarrassing it is, but I believe in certain quarters of the house there have been some discussions about a number of private bills that are on the order paper and a method of disposing of them, about which an understanding has not yet been reached. It may be that as the result of certain consultations that are going on if all hon. members of the house were agreeable there might be some method found of dealing with that problem.

Mr. Douglas: Mr. Speaker, we are only asking the minister about government legislation.

Mr. Pickersgill: I am referring also to government legislation.

Mr. Douglas: May I ask the minister, what additional government legislation?

Mr. Pickersgill: It would be a measure providing for another method of dealing with those private bills that are now on the order paper. But really I would prefer not to go into any more explanations at this time, because these discussions have not advanced very far and they may come to nothing.

Mr. Knowles: Just tell us you are in a good mood.

Mr. Pickersgill: I do not know how many hon. members heard the program this morning that comes on right after the news at eight o'clock—it is one of my favourite programs—in which a speech from the throne was delivered by one of our friends who sit above us and observe us from a lofty eminence. It was said in that broadcast that I had expressed appreciation—perhaps the extent of it was exaggerated a little bit—for the co-operation of the opposition. I must say that I do think that in so far as the management of the house is concerned, the co-operation of the opposition ever since September 30—I say nothing about the early part of the session—in the difficult circumstances of this particular parliament has been very good indeed, and I continue to say so.

Some hon. Members: Hear, hear.

It being twenty five minutes after seven o'clock the house adjourned, without question put.

[The following items were passed in committee of supply this day:]

POST OFFICE DEPARTMENT

1. Departmental administration including Canada's share of the upkeep of the international bureaux at Berne and Montevideo, $2,083,500.

5. Operations including salaries and other expenses of staff post offices, district offices, railway mail service staffs, and supplies, equipment and other items for revenue post offices, including administration, $121,454,700.

10. Transportation—Movement of mail by land, air and water including administration, $64,650,400.

10a. Transportation—Movement of mail by land, air and water, including administration $238,000.

15. Financial services including audit of revenue, money order and savings bank business; and postage stamps, $3,260,400.

HOUSE OF COMMONS

Thursday, December 19, 1963

The house met at 11 a.m.

HOUSE OF COMMONS

PROPOSED EXTENSION OF SITTING HOURS THIS DAY

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, perhaps I might be permitted to say just a word about the sitting today, in line with what I said at the close last night. I indicated at that time that I would endeavour to find out at the opening today whether the house would be agreeable to sitting through the luncheon and dinner hours in order to expedite the consideration of estimates, and I indicated that there would be no legislation brought forward today by the government. I would just like to find out, if I could, whether that would be agreeable to the house.

Mr. Speaker: The house has heard the suggestion of the Secretary of State. Does the house agree to the suggestion?

Some hon. Members: Agreed.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I do not think any good purpose would be served by sitting continuously. In the first place, I think it is most unfair to staff, translators and reporters, to ask them to take on the almost unbearable burden of working continuously from eleven o'clock in the morning until, in all probability, midnight or after; because I cannot see any prospect of our adjourning at 10.30. Also, as far as members are concerned, I do not think we will save any time. I think that by exercising a little self discipline we will get as much work done if we rise from one o'clock until 2.30 and from six o'clock until seven o'clock, and then if necessary we could extend the hours at the latter part of the day.

Hon. Gordon Churchill (Winnipeg South Centre): We are prepared to go along with the suggestion of the house leader. In fact we have been prepared for a long time now to meet any of these requests. The success in getting legislation and estimates through the house up to this point has been due very largely to the co-operation of the official opposition. I wish I could say the same—

An hon. Member: Let us give him a hand.

Mr. Churchill: —for some of the other small parties in the house. We are quite prepared to go ahead with this idea and wind up the business of this session. It is not too difficult at this stage of the game to sit through the lunch hour and dinner hour. I think from the standpoint of the staff it would be better for them to have their work completed by Friday of this week rather than to be here on Saturday.

Mr. A. B. Patterson (Fraser Valley): We are prepared to go along with the suggestion that has been made by the government house leader. It seems that we could arrange to get lunch some way or other. It would appear that most of the debates that are necessary have been pretty well completed. We would be prepared to go along with any suggestion that would expedite the passage of the business.

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, I think the suggestion made by the hon. member for Burnaby-Coquitlam (Mr. Douglas) is quite acceptable because we are having a special meeting at one o'clock and we cannot be here between one o'clock and half past two.

We would be quite agreeable to sit a little later tonight to make up for the lunch period.

[*Text*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in view of the suggestion that has been put forward and the comments that have been made on the suggestion, I think there is one other word that should be said. I agree with the position taken by my leader, the hon. member for Burnaby-Coquitlam. I think we will do just as well by recognizing the normal hours plus an extension later in the evening if we need it, and we can do just as well in that way as we can by cramming things through.

I should like to say to my good friend the hon. member for Winnipeg South Centre that his suggestion that his party has always been co-operative and we have been difficult is not borne out by the record. The only time this session that it was necessary to achieve an extension of the hours by a motion and by dividing the house was on October 17, when the Progressive Conservatives objected to and tried to thwart the proposal made by the Secretary of State. We have

negotiated these extensions, and we are prepared to negotiate today as to the use of the time. I suggest that the application of Christmas good will would be better than trying to force things through.

Mr. Churchill: The accusations of the hon. member for Winnipeg North Centre have to be answered. If you examine the record you will see that time and time again the business of this house has been obstructed by opposition from the New Democratic party. They have refused to sit an extra few minutes night after night when we could have completed the various estimates.

Mr. Douglas: Mr. Speaker, I am rising on a question of privilege. The hon. member for Winnipeg South Centre has no right to use the term "obstructed" when referring to this group. I would remind you that we have co-operated wholeheartedly throughout the session. I would remind the hon. gentleman that he, along with some of his colleagues, took two hours on third reading of the centennial bill trying to defend a position that was indefensible. I would remind the hon. member for Winnipeg South Centre he is not now the government leader of the house, a position which he occupied with the diplomacy and finesse of a bull in a china shop.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I should like to wish all members a merry Christmas.

[*Later:*]

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I regret that I have to rise on a question of privilege. It is based on the false statement made by the hon. member for Winnipeg North Centre (Mr. Knowles) when he misled the house by suggesting that on October 17 this party opposed the extension of the hours of sitting of this house. That is not the case at all, and it is deplorable that a senior member of this house should make a statement of that nature.

I base my question of privilege on the fact that on that date I said we were in favour of extending the hours. I suggested extending the hours by five and a half hours per week instead of five. I suggested that later this session we would be sitting Wednesday nights, Friday nights and on Saturdays, and I hinted that we would dispense with some of the supply motions. Unfortunately, although I asked the house leader to consult with us on the matter, at that time, inexperienced as he was, he refused that consultation.

Mr. Stanley Knowles (Winnipeg North Centre): On this question of privilege, Mr. Speaker, the hon. member for Winnipeg South Centre has no right, even at Christmas time, to suggest that I made a false statement. The record is quite clear. The amendment made by the hon. member for Winnipeg South Centre on October 17, while it proposed more hours of sitting for the week, proposed less time for government business than the motion proposed by the Secretary of State. That is one point.

The other point is that the record is clear, that the hon. member for Winnipeg South Centre called "On division" on the motion moved by the Secretary of State. I do not know how much clearer the record has to be, even for my hon. friend from Winnipeg South Centre.

Mr. Churchill: This is typical evasion. The hon. member should cross the floor of the house and join the Secretary of State and the other ministers.

Mr. Speaker: Order, please. Frequently during heated debate words are used extending beyond what might be a polite meaning. I am sure that was the case here.

COMMITTEES OF THE HOUSE

First report of special committee on procedure and organization—Mr. Speaker.

Third and fourth reports of standing committee on public accounts—Mr. Baldwin.

Second report of standing committee on external affairs—Mr. Matheson.

Second report of special committee on food and drugs—Mr. Harley.

ADMINISTRATION OF JUSTICE

JOHN WASYLENCHUK—ALLEGED ILLEGAL DEPORTATION FROM B.C.

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to put a series of questions to the Minister of Justice in regard to one John Wasylenchuk of Vancouver, who has been directed to be taken from Canada under extradition. I do this because of a statement made by the Liberal leader in British Columbia, Mr. Perrault, to the effect that the Minister of Justice signed an order for the extradition of this man and, to quote what the press said, he did not know what he was doing when he signed it, that he would have signed his own death certificate.

I ask the minister, did he sign an order directing the extradition of this man several days before the habeas corpus proceedings taken by him were decided upon; what was the date of the signing of the order by the minister; what was the date when the judgment was handed down? Furthermore, did

the parliamentary secretary to the Minister of Justice, following the signing of the order, make an attempt to stop extradition by phoning the warden of Oakalla prison yesterday, and by phoning the border officials to prevent the extradition?

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, there are a number of questions which have been put and I shall be pleased to answer them, but first I think I should give to the house the situation as it exists.

Under date October 25, 1963, the government of the United States requested extradition of John Wasylenchuk, who is charged with the crimes of robbery and murder in connection with a bank robbery in the western district of Washington, pursuant to the extradition treaty with the United States to which Canada is a party. Wasylenchuk was brought up before Mr. Justice Hutcheson of the supreme court of British Columbia for a hearing in the nature of a preliminary inquiry pursuant to the treaty and the Extradition Act. On November 14, 1963 Mr. Justice Hutcheson reported to me that he had committed Wasylenchuk for extradition pursuant to the act. He stated that the evidence before him included evidence submitted on behalf of Wasylenchuk with a view to establishing an alibi as well as evidence connecting Wasylenchuk with the alleged offence.

Next, habeas corpus proceedings were then taken on behalf of Wasylenchuk before Mr. Justice Ruttan, also of the supreme court of British Columbia, and under date of December 11, 1963 I was advised by the district registrar of the supreme court that such application had been refused. I accordingly signed an extradition warrant for Wasylenchuk's surrender to the United States authorities pursuant to the Extradition Act. It was sent out on Monday, December 16, 1963 to counsel in Vancouver acting for the United States authorities, and I understand Wasylenchuk was removed to the United States under such warrant yesterday.

In answer to one of the other questions by the right hon. gentleman, several days did expire, as he intimated in his question, between the habeas corpus proceedings being taken and the signing of the warrant. It was not until after the habeas corpus proceedings had been taken and the matter had been discussed with my officers that I signed the warrant.

Mr. Diefenbaker: I should like to ask this question. Was the warrant signed by the minister signed before the judgment was handed down in the habeas corpus proceedings?

Mr. Chevrier: The answer to that is no; it was signed afterward.

Mr. Diefenbaker: Then would the minister also answer whether his parliamentary secretary yesterday made these communications? I ask because Mr. Perrault is reported to have stated that the Minister of Justice promised a full review early this week in a telephone conversation—

Mr. Chevrier: I did not get that.

Mr. Diefenbaker: The Minister of Justice early this week promised a full review in a telephone conversation. Following that alleged telephone conversation to which Mr. Perrault has made reference, did the parliamentary secretary yesterday endeavour to stop the extradition in the manner in which I have indicated?

Mr. Chevrier: Insofar as a telephone conversation is concerned, I can tell my hon. friend that I did have correspondence with Mr. Perrault in which he set out some points. I replied to him that I had investigated all the points that had been raised and following advice from the officers I had no alternative but to sign the extradition warrant.

Mr. Diefenbaker: One other question has not been answered, regarding the minister's parliamentary secretary. Did he make an attempt to stop the extradition by telephoning the warden of Oakalla yesterday, and by telephoning the border when he found that this man was en route to the border, in order to stop the extradition?

Mr. Chevrier: Mr. Speaker, as my right hon. friend knows I was absent from the house yesterday, and I have not had an opportunity to discuss that part of the matter with my parliamentary secretary. I should like to have the opportunity to do so before making any reply.

Mr. Diefenbaker: He is of age. Let him answer.

Mr. Pearson: He is not a minister yet.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. May I ask the Minister of Justice if, when he signed the surrender order for John Wasylenchuk, he was aware of the fact that he was on parole. In view of the fact that under section 11 of the Parole Act a person on parole is still deemed to be serving a sentence, and under section 24 of the Extradition Act no person who is serving a sentence can be extradited, would the minister not consider that his surrender order was illegal?

Mr. Chevrier: No, Mr. Speaker. That matter was carefully gone into, both the section of the Extradition Act as well as the section

of the Parole Act, and the legal advice I have received is that although a man is on parole he is still subject to extradition under the treaty and under the act. Otherwise a man who was on parole could leave the jurisdiction, go into the United States, commit an offence, come back and not be extraditable. The converse would be true with regard to a citizen of the United States who came into Canada under such circumstances. In my view the treaty which has been entered into between the two countries envisaged such a situation.

Mr. Douglas: May I ask the minister this question. Is he not bound by the Extradition Act, section 24 of which says very clearly that a person cannot be extradited if he is serving a sentence for some crime other than the one for which extradition proceedings have been taken?

Mr. Chevrier: I do not agree with that interpretation of the section. The section does not say that, and the advice I have received from my officers is to the contrary. As I said earlier, my advice is that although the man is on parole he is still subject to extradition.

Mr. Douglas: A further supplementary question. In view of the fact that Wasylenchuk claims he was in Burnaby in 1954 at the time the offence was committed for which he is being extradited, and that any alibi he may try to establish will have to be established through witnesses in Burnaby, is any arrangement being made by the Canadian government to see that he has ample opportunity to call witnesses and to get the necessary funds to convey witnesses to the United States in order that he may receive a fair trial?

Mr. Chevrier: Mr. Speaker, I do not know what the circumstances are with reference to the alibi, although in the statement I made earlier I pointed out that this had been considered by one of the judges. But I can tell my hon. friend that in so far as I am concerned I would be prepared to do everything possible in order that he may obtain a fair trial.

[*Later:*]

Mr. Diefenbaker: Mr. Speaker, now that there has been communication between the Minister of Justice and the parliamentary secretary, instead of asking for secondary evidence I would like to put the question to the parliamentary secretary. I ask him whether yesterday he made an attempt to stop the extradiction of Wasylenchuk by telephoning the warden or telephoning to the border.

[Mr. Chevrier.]

Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I would not like to make any statement at this time without a full opportunity of discussing this with the minister, a fuller opportunity than has been possible since the minister gave his answer.

Mr. Churchill: Just answer the question.

Mr. Diefenbaker: Does the parliamentary secretary not deny this? If he does not deny it, under what authority did he go behind an order that was made?

Some hon. Members: Hear, hear.

Mr. Chevrier: I would have thought, Mr. Speaker, that in view of the answer I gave the right hon. Leader of the Opposition a while ago he would at least have given me an opportunity of discussing with my parliamentary assistant what happened in my absence yesterday. But that conversation did not take place, and I am not in a position to deal with it. I would like to make sure that the information which I give to the house is factual, and that I cannot do until I have had an opportunity to discuss it with him.

Mr. Diefenbaker: I noticed the two in conversation.

Mr. Douglas: A supplementary question, Mr. Speaker. Could I ask the minister, when he is looking into this matter and making a statement to the house, to also clarify the statement he made earlier to me; because section 24 of the Extradition Act is quite clear. It says:

> A fugitive who has been accused of an offence within Canadian jurisdiction, not being the offence for which his surrender is asked, or who is undergoing sentence under a conviction in Canada, shall not be surrendered until after he has been discharged, whether by acquittal or by expiration of his sentence, or otherwise.

It seems to me that is, for legal terminology, unusually explicit. I hope the minister will clarify this point because it would seem, on the face of it, that the surrender order which he signed is clearly illegal.

Mr. Chevrier: Mr. Speaker, my hon. friend is simply repeating the statement which he made earlier. When I do anything in the Department of Justice I accept the advice of the legal officers and, unfortunately, not of the hon. member for Burnaby-Coquitlam. I must repeat what I said to him a while ago, that the advice I was given in so far as this section is concerned was that it did not apply under the circumstances.

Mr. Douglas: All I am asking the minister to do is, when he makes his statement—

Mr. Speaker: Order, please. We have had quite a full discussion, and I think the Minister of Justice seized the point.

Mr. Douglas: Will Your Honour not give me a chance to say what I was going to ask the minister to do?

Mr. Speaker: This is not the time to make an argument. We have discussed the matter on two occasions this morning.

Mr. Douglas: I am not making an argument, Mr. Speaker. I am just asking a question. I am asking the minister a question and saying that as a member of the house I have the right to some explanation from him. The mere fact that he tells me his law officers have advised him is not sufficient. I am asking the minister whether he will be kind enough to tell the house, when he makes his statement, how he reconciles the opinion which was given to him by his law officers with section 24 of the Extradition Act.

Mr. Chevrier: I do not think there will be any difficulty about that, Mr. Speaker, and if the hon. member will just hold his patience, perhaps tomorrow I will be able to make a statement on the matter.

EXTERNAL AFFAIRS

NATO—REQUEST FOR STATEMENT ON MINISTERIAL MEETING

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question either to the Secretary of State for External Affairs or the Minister of National Defence, both of whom have been in Paris. Are they now in a position to give the House of Commons any statement following the NATO ministerial council meeting?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, my estimates will be coming up in a very short time, and I thought I might take advantage of those estimates to make a report on the ministerial meeting.

REQUEST FOR REPORT ON MEETING WITH SUD-AVIATION PRESIDENT

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct to the Secretary of State for External Affairs a question of which I have given him notice.

Would the minister report to the house on the interview he had in Paris with the assistant to the president of Sud-Aviation?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, while in Paris, I tried to get in touch with General Puget, president of Sud-Aviation, but since he was out of the country, I was able to have a very satisfactory and very friendly telephone conversation with the general manager of Sud-Aviation, Mr. Giusta.

I told him that the decision taken by T.C.A. to purchase DC-9 aircraft had been determined exclusively by the very special requirements of operations within our country in the field of air transportation, and I expressed the sincere regret of the Canadian government that this incident had taken such proportions and that legitimate interest, on both sides, might have been affected without, of course, the excellent relations between the French government and the Canadian government being involved.

Hon. Leon Balcer (Three Rivers): Mr. Speaker, may I ask a supplementary question?

Would the minister tell us whether he has read an article written by the hon. member for Port Arthur (Mr. Fisher), in which he stated that the French ambassador in Canada had not been very diplomatic?

Would the minister give us his opinion on that point?

Mr. Martin: Mr. Speaker, I have not read that article.

[*Text*]

TRADE

BREAD—PROPOSED PROHIBITION OF IMPORT INTO NEW YORK STATE

On the orders of the day:

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, I should like to direct a question to the Prime Minister. On last November 20, I asked him a question about a bill introduced in the legislature of the state of New York to prevent the importation of Canadian bread in that state. At that time, the Prime Minister replied that he would inquire. Well, I have here a copy of that bill which provides that 50 per cent of the shares of a private concern or company doing business or selling bread in the United States must be held by Americans. This particular section of the bill ends with these words:

[*Text*]

Any person violating the provisions of this section shall, upon conviction thereof, be guilty of a misdemeanor.

This act shall take effect immediately.

[*Translation*]

Does the Prime Minister and his government intend to make representations to the

authorities of the state of New York to prevent such discrimination against Canadian exports?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have not had a report yet from my inquiry, but I will try to get it during the day and reply to my hon. friend tomorrow morning.

POWER

COLUMBIA RIVER—U.S. POSITION RESPECTING PAYMENT FOR DOWNSTREAM BENEFITS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. In view of the statement reported in this morning's *Globe and Mail,* allegedly made yesterday by the Minister of Northern Affairs and National Resources in Vancouver to the effect that the United States negotiators on the Columbia river treaty have insisted that payments by the United States for downstream benefits be placed under federal government control rather than that of the government of British Columbia, will the minister explain the effect of this demand upon the outcome of negotiations? Furthermore, has British Columbia agreed to the setting up of a federal trusteeship to administer this fund to some $400 million?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, my attention was directed to the story which appeared in one of the morning papers. I may say that I do not believe the headline is warranted by the circumstances with which I am familiar. As to the contents of the article, I believe the right hon. gentleman will appreciate that these negotiations are now under way. There is to be a meeting with British Columbia and the United States tomorrow, and I would not want to say anything at this time that would prejudice these negotiations.

Mr. Diefenbaker: Those laudable words should apply to the Minister of Northern Affairs and National Resources. He is the one who made the statement, and I ask did the United States negotiators insist that payments for downstream benefits be placed under federal government control; because surely parliament is entitled to know what a minister of the government spreads in other parts of the country.

Mr. Martin (Essex East): I am very grateful to the right hon. gentleman for clarifying his earlier question.

Mr. Diefenbaker: You follow suit.

[Mr. Caouette.]

Mr. Martin (Essex East): I have asked for a report from my colleague, who is not in the capital at the moment, concerning precisely what was said. I am sure the right hon. gentleman, with his great experience in negotiations, would not expect me to say anything further.

Mr. Diefenbaker: Is the minister's answer, stripped of unnecessary verbiage, that parliament is to be denied information that ministers give outside the house?

Mr. Martin (Essex East): Mr. Speaker, the right hon. gentleman and I are in full agreement as to the rights of parliament.

Mr. Churchill: No wonder the NATO conference was confused.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I have a question in connection with the minister giving information outside the house, information that has been denied us for months. Did the Secretary of State for External Affairs, the Prime Minister and other members of the cabinet receive a telegram from C. P. Neale, general secretary treasurer of the Vancouver and district labour council, expressing concern at the possibility of ratification of the Columbia river treaty?

Mr. Martin (Essex East): Mr. Speaker, I do not know if I have received that telegram. I have received a number of telegrams, and one of them suggests that perhaps it had been urged on me as a result of suggestions made by my dear and hon. friend.

Mr. Herridge: As a supplementary question, if what the minister is reported as saying in Vancouver is proven correct, will the minister then inform the house of the terms of this treaty?

Mr. Martin (Essex East): Well, Mr. Speaker, the government certainly has no intention of withholding from the house information to which it is entitled. We have given a clear indication of this all along. Whether the information was in fact given at all by my colleague, will be clear from the report which I have already told the right hon. Leader of the Opposition I hope to have today or tomorrow.

Mr. Herridge: I have another supplementary question. If it is proven correct, will the minister elaborate on the statement made by the minister of northern affairs in Vancouver, before this session ends?

Mr. Martin (Essex East): Mr. Speaker, that is obviously a hypothetical question and I can add nothing more.

PUBLICATIONS

COMPETITION WITH CANADIAN EDITIONS OF U.S. MAGAZINES

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I want to ask the Prime Minister whether he now has the statement on the publications matter which he indicated two weeks ago would be delayed for several days, and I particularly ask him whether he is considering any form of Christmas present for the hard pressed magazine publishers of Canada.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I did indicate to my hon. friend that I hoped to be in a position to make a statement on this matter, but since I made that promise to my hon. friend there have been certain other developments, including evidence I have received from certain quarters, which may delay the statement for a few days. But I still think there will be a chance before the house adjourns.

INDIAN AFFAIRS

GOVERNMENT INTENTION RESPECTING LEGISLATION ON COURT OF CLAIMS

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, may I direct a question to the Minister of Citizenship and Immigration. I ask this question of the minister because there seems to be some doubt in the minds of many native Indian people regarding the progress of Bill C-130 regarding the disposition of Indian claims, which was introduced the other day. I would like to ask the minister whether it is clearly the intention of the government not to proceed with this bill this session but to hold it over so that public discussion and examination can take place.

Hon. Guy Favreau (Minister of Citizenship and Immigration): Mr. Speaker, I may tell the hon. gentleman it is clearly the intention of the government to withhold the legislation until all concerned are notified. A mailing list is presently being prepared so that the Indian bands and the associations interested in Indian affairs will have a chance to look at the bill, consider it, and make their representations to the government.

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, may I ask a supplementary question. I wonder can the minister advise the house what effect the legislation will have on pending litigation. I believe there is a case pending in the Calgary area with reference to the Blackfoot band at Gleichen, involving over $1 million in claims. What effect will this have on pending legislation; because this is important to that band at the present time?

Mr. Favreau: Mr. Speaker, if the hon. gentleman would permit me I must admit in all humility that I am not completely au courant with this particular claim he has referred to, but I will be pleased to discuss it with him at his convenience.

SPORTS

REQUEST FOR GRANT FOR 1966 QUEBEC FESTIVAL

On the orders of the day:

Mr. Auguste Choquette (Lotbiniere): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare, or in her absence to her parliamentary secretary. In view of the fact that a committee has recently been formed in Quebec named the comité des jeux d'hiver interprovinciaux, and considering the recommendation made by the national advisory council on fitness and amateur sport, I would like to ask whether that committee is going to get the very important grant of $500,000 which has been requested.

Mr. Stanley Haidasz (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, in view of the minister's temporary absence from the house I will be glad to take this question as notice and bring it to her attention.

TRANSPORT

NOVA SCOTIA—REPORTED CANCELLATION OF SATELLITE TRACKING STATION

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, I have a question for the Minister of Transport. Is he in a position to bring the house up to date on the further negotiations which he stated recently were going on between the national aeronautics space agency of the United States government and his own department in regard to the proposed nimbus meteorological satellite tracking station for Victoria county, Nova Scotia.

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, I do not think there is much I can add to the answer I gave some days ago. We are still waiting developments because of the changes in scientific discoveries in this field.

NORTH SYDNEY-NEWFOUNDLAND—MAINLAND FERRY TERMINAL

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): On December 9 I posed a question

to the Minister of Transport, who was unavoidably absent. The Secretary of State, who was acting minister, very kindly replied that he did not believe a definitive reply could be made until the Minister of Transport was back in his seat. The question related to the mainland terminus of the second ferry to Newfoundland. Now that the minister is back in his seat, and in the spirit of the season, could he give that definitive reply; and will that reply indicate that the present government has confirmed the action of the previous government in designating the port of North Sydney as the mainland terminus of the proposed new ferry?

Hon. G. J. McIlraith (Minister of Transport): I am not aware that the previous government had designated the terminus. In any event, the matter is still under consideration and I cannot give a definitive reply.

Mr. Muir (Cape Breton North and Victoria): May I ask a supplementary question. If the minister would check the speech from the throne he would find confirmation of my statement. Would he kindly advise what his colleague the Minister of Labour meant when he stated to the Halifax *Chronicle-Herald* on December 16 that the Canso strait was ruled "out" in the guessing game but "in" was North Sydney. I do not understand it.

Mr. McIlraith: I have not seen the press release.

CANADIAN BROADCASTING CORPORATION

TORONTO—CONVERSION OF STATION CJBC TO FRENCH LANGUAGE

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, may I direct a question to the Secretary of State. Has the minister received any complaints or representations concerning the decision to change the C.B.C. Toronto station CJBC to all French programs?

Hon. J. W. Pickersgill (Secretary of State): I thank the hon. member for asking this question, because it enables me to say that I was just shown an extract from the Toronto *Star* of yesterday which says:

> No complaints have been received by state secretary J. W. Pickersgill, who answers to parliament for the C.B.C.

It does not quote me as having said that, and I have heard that there was dissatisfaction.

Some hon. Members: Oh, oh.

Mr. Pickersgill: I have drawn to the attention of those who have expressed the dissatisfaction to me, either orally or in writing, that their views would be brought to the attention of the Canadian Broadcasting Corporation, which has the responsibility.

Mr. Hales: Would the minister agree with the hon. member for York-Humber (Mr. Cowan), on his side of the house, who stated that French speaking residents of Toronto should provide for themselves a private French radio station, in the same way that a small English speaking minority in Quebec city supported a private English station?

Mr. Pickersgill: Mr. Speaker, it is a well known rule of this house that ministers do not comment on statements made outside the house.

Some hon. Members: Oh, oh.

Mr. Speaker: The right hon. Leader of the Opposition.

Mr. D. M. Fisher (Port Arthur): A supplementary question, Mr. Speaker.

Mr. Speaker: I believe the right hon. Leader of the Opposition has a supplementary question.

Mr. Diefenbaker: Mine is not a supplementary question.

Mr. Fisher: I wanted to ask the minister a question. I know he cannot comment on what members who support him have said, but I think it would put this whole matter into focus if he could tell us whether he has indeed received representations from Toronto members of parliament in addition to the hon. member for Danforth (Mr. Scott), suggesting that the C.B.C. be asked to review and postpone its decision in this regard. I ask this question because some of us who do not live in Toronto do not always appreciate having to carry the hod for the Toronto area.

Mr. Pickersgill: I think I indicated, Mr. Speaker, that I had received a certain number of representations both orally and in writing, and that I was bringing any representations I have received to the attention of the Canadian Broadcasting Corporation.

UNEMPLOYMENT INSURANCE

EXTENSION OF BENEFITS TO WORKERS IN U.S.

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to direct a question to the Minister of Labour. In view of the many arrangements and negotiations between Canada and the state of Maine for a reciprocal agreement on unemployment insurance, can the minister now say whether the state of Maine has arrived at a conclusion on this matter; and if so, what it is?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I can advise my hon. friend that the unemployment insurance commission of the state of Maine is not prepared to enter into reciprocal arrangements with the unemployment insurance commission of Canada, and my recollection is that this decision was conveyed to the commission some weeks ago. There is no disposition on the part of the unemployment insurance commission of Maine to intervene.

GRAIN

WHEAT—INQUIRY AS TO PAYMENT OF $2 PER BUSHEL

On the orders of the day:

Mr. E. Nasserden (Rosthern): In the presence of the Minister of Agriculture, may I direct a question to the Prime Minister. When can we expect legislation fulfilling the fervent promise of the Liberal party to guarantee the grain producers a floor price of $2 per bushel for wheat?

HEALTH AND WELFARE

REQUEST FOR INCREASED ASSISTANCE FOR MEDICAL RESEARCH

On the orders of the day:

Mr. David Orlikow (Winnipeg North): I should like to ask the Prime Minister whether any representations were made to him recently regarding the need for greatly increased financial assistance for medical research.

Right Hon. L. B. Pearson (Prime Minister): Not to my knowledge, Mr. Speaker. However, I think I had better make inquiries in my office.

FINANCE

INQUIRY AS TO AMENDMENTS TO BANK ACT

On the orders of the day:

Hon. Paul Martineau (Pontiac-Temiscamingue): I have a question for the Minister of Finance. In view of the interest shown in the reported application for a charter for the bank of western Canada and the speculation that other applications might follow, can the minister say whether in his current review of the Bank Act he is giving consideration to the removal of the 6 per cent ceiling on interest on bank loans and also the matter of Canadian ownership requirements for banks.

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, the Bank Act has not yet come up for review. When it does, I have no doubt that both these questions will be fully explored and discussed. In the meantime I think it would not be proper for me to say anything on the subject.

BRIDGES

THREE RIVERS, QUE.—REPORTED OBJECTION BY FEDERAL GOVERNMENT

On the orders of the day:

Mr. Remi Paul (Berthier-Maskinonge-Delanaudiere): I should like to ask a question in French of the Minister of Transport.

[*Translation*]

Can the Minister of Transport tell the house whether the difficulties which opposed the interests of the Three Rivers bridge corporation and of the province of Quebec to the interests of his department have at last been smoothed out and, if so, whether people who live in the centre of Quebec may hope to get, as a Christmas present from the minister, a precise and clear statement about the construction of the bridge at Three Rivers?

[*Text*]

Mr. Pigeon: Yes or no?

Hon. G. J. McIlraith (Minister of Transport): I do not know which of the three questions contained in that statement I would answer by yes or no. In any event, it is not a matter of difficulty between the Department of Transport and the Three Rivers bridge corporation, it is a matter of the construction of this bridge being under provincial jurisdiction and the responsibility for navigable waters being under federal jurisdiction. There is a difference of opinion involved in what is required to protect the navigable waters of the river in terms of the proposed designs of the bridge.

NATIONAL DEFENCE

NATO—POSSIBLE CHANGES IN CANADA'S MILITARY CONTRIBUTION

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): I should like to ask a question of the Minister of National Defence. Has any progress been made in the study of NATO defence policy which was agreed to at the ministerial meeting last May in Ottawa? If so, can the minister indicate what changes in Canada's contribution to NATO military forces may now be expected?

Hon. Paul Hellyer (Minister of National Defence): I think it might be appropriate to say a word or two about this subject when my estimates come back before the committee, which will likely be tomorrow. I may then have an opportunity to give a brief report to the house on the meeting which was just concluded in Paris.

Inquiries of the Ministry

BREAD

INQUIRY AS TO POSSIBLE PRICE INCREASE

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I should like to ask the Minister of Justice a question further to the one I directed yesterday to the Prime Minister. Has the Minister of Justice as yet had an opportunity to discuss with his officials possible action with respect to the all too coincidental general rise in the price of bread in Ontario?

Hon. Lionel Chevrier (Minister of Justice): I have noted the hon. member's question, as I have noted the press reports of bread price increases. I have also discussed this subject with the director under the Combines Investigation Act, and I am satisfied that the matter is receiving adequate consideration. As the house knows, the general practice is that no information is given out as to whether an inquiry is being conducted in a particular industry unless and until a report is published.

AGRICULTURE

REQUEST FOR REINSTATEMENT OF COLD STORAGE SUBVENTION

On the orders of the day:

Mr. Frank Howard (Skeena): I raised a question with the Prime Minister with regard to taking the Cold Storage Act out of the deep freeze and reinstituting subventions under it. The Prime Minister indicated that he would speak to the Minister of Agriculture about it. I wonder if we could have an answer today from the Prime Minister or the Minister of Agriculture?

Hon. Harry W. Hays (Minister of Agriculture): Yesterday on orders of the day the hon. member for Skeena referred to a question he had directed to the Prime Minister on October 28, as to whether it was the intention of the government to reinstitute the subsidies under the Cold Storage Act for the construction of cold storage warehouses, which were suspended in July, 1962. In reply I may say that this policy is at present under review, and an announcement will be made in due course.

IMMIGRATION

STATEMENT BY MINISTER RESPECTING FEDERAL JURISDICTION

On the orders of the day:

Mr. G. W. Baldwin (Peace River): I have a question for the Minister of Citizenship and Immigration. It is prompted by a speech he made to the club Richelieu in Quebec yesterday, with many of the non-political parts of which I am in agreement. Would the minister say, in order to clarify this question, whether in his speech he intended to convey the impression that the concurrent powers of the provinces with regard to matters of immigration were not at all times subject to federal laws and regulations?

Hon. Guy Favreau (Minister of Citizenship and Immigration): I do not believe I ever did convey that impression, because the jurisdiction is clearly subject to the basic laws enacted by the federal parliament and may not go contrary to those laws.

PUBLIC WORKS

SAUBLE RIVER, ONTARIO—REQUEST FOR DREDGING

On the orders of the day:

Mr. John Loney (Bruce): I should like to direct a question to the Minister of Public Works with regard to the Sauble river in the riding of Bruce. Would the minister reconsider his decision to cancel the development project at the mouth of the Sauble river; that is, the proposed dredging program? This resort area serves approximately 15,000 vacationers and possibly as many as 30,000 visitors, who are increasing in numbers each year—

Mr. Speaker: Order, please. I am sure the hon. member would like to put that question on the order paper.

ROYAL CANADIAN MOUNTED POLICE

ACTIVITIES IN LABOUR DISPUTE AT GRANDE PRAIRIE, ALTA.

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Two days ago the Minister of Justice promised to make a statement regarding a complaint which was lodged with him by the international woodworkers of America on December 11 relating to the allegation that R.C.M.P. forces were being used in strike-breaking in connection with a dispute at the Canadian forest products planing mill at Grande Prairie. Is the minister ready to make a statement?

Hon. Lionel Chevrier (Minister of Justice): I did undertake to do that, but unfortunately I was away yesterday. I was not able to contact the commissioner, but I will do that some time today and possibly make a statement tomorrow.

SUPPLY

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

DEPARTMENT OF AGRICULTURE

Administration branch—

1. Departmental administration including the national co-ordinating committee on agricultural services, $1,057,600.

The Chairman: Order. House in committee of supply, Department of Agriculture, vote No. 1. Shall the item carry?

[*Translation*]

Mr. Ricard: Mr. Chairman, I have but a few remarks to make at this stage, because I do not want to delay the business of the house too much.

Our Liberal friends have made so many promises when they were in the opposition that I cannot let an opportunity slip by without reminding them a few of their election promises and urging them to carry them out.

The hon. member for Leeds (Mr. Matheson) reminds me that this being Christmas time, it would be the most appropriate time for the Minister of Agriculture to carry out his promises.

Mr. Chairman, referring to the election campaigns of 1962 and 1963, we remember that at that time, the Liberal candidates were travelling throughout our ridings, reminding the farmers that agriculture was in a stage of stagnation, but that they had all the solutions to their problems.

No wonder the voters were deceived by these fine words; but now they ask them to keep those promises.

I am one of those who now intend to ask those people to keep their promises.

One of the main promises was that eastern farmers would have a minister from the east. We remember that at the beginning of the session the Secretary of State (Mr. Pickersgill), now leader of the house, requested the house to do things quickly, in order that we may appoint a minister of agriculture for the east as soon as possible. So it is surprising now to see that his former impatience to proceed in this field has turned into unending delays, since this appointment is even postponed until the next session.

Mr. Chairman, in that field, we are facing two contradictory positions on the part of our friends on the other side, which well indicates the extent of their sincerity when they speak about farmers, for if we go back to April 8 last, we find that very little has been done in the field of agriculture to improve the condition of the farmer.

As soon as they came to power, they introduced a measure which had baleful results, especially for the farmers in my district. As soon as he took over as Minister of Agriculture, the first thing he thought advisable to do was to remove the 25-cent premium per hundred pounds of milk granted to farmers who sold their milk to plants.

We have here an idea of the extent of the damage caused to farmers in my constituency, if we consider that after the Conservative government established that premium, farmers in St. Hyacinthe-Bagot benefited by the amount of $1,576,222.

As concerns the farmers in the province, the premium represents an amount of nearly $21 million they would have received during the years that measure applied.

It is difficult to understand that people wishing to help the agricultural class find nothing better to do than removing that premium and depriving the farmers, both in my constituency and in the province, of such an essential revenue. It must not be forgotten that at least 40 per cent of the farmers' income is derived from the dairy industry.

They had a right to expect different conduct on the part of the minister.

If he wishes to know what the farmers think of the present government's agricultural policy, he just has to pay them a visit. He will see that his popularity and that of the Liberal government is going down constantly month by month.

Mr. Chairman, you can also have an idea of the Liberal party's concern for farmers when you consider that at the election of last April, 15 farmers were eliminated at Liberal conventions.

In the June 1962 election, Mr. Jean Baptiste Lemoyne had run in my own riding and was reported to be a future minister of agriculture in a Liberal cabinet. When one considers that he was turned down at the convention during the 1963 election campaign, the degree of sincerity of the Liberal party towards farmers can readily be appreciated. I believe that the Liberals lost no time in removing that premium as soon as they came into power so as to punish the rural ridings for supporting the Conservative party.

The hon. gentleman who aspires to become minister of agriculture is somewhat guilty himself because he spared no effort to eliminate from this house a genuine farmer, Mr. Alfred Belzile who had accomplished a great deal here. He was known by all members of the house as a genuine farmer who made a valuable and worth-while contribution whenever agricultural matters were being considered in the house.

I must tell the candidate to the ministry that his attitude was at complete variance with that of the hon. member for Matapedia-Matane (Mr. Tremblay) because when he was asked questions, he did not give the impression, like his successor, that they did not deserve any consideration.

During these last weeks, I directed questions to the hon. minister and he gave the impression that he felt he was too far above the common herd to reply. If he wants a piece of advice for his own information and his own future good, and if he really wants to do

something for the farmers, he should have a little more humility and consider himself as part of this world.

Mr. Chairman, during the 1962 and 1963 elections, and also during past sessions when our friends opposite sat on opposition benches, they had answers to all questions and rose one after the other to deplore the lot made to the farmers by the Conservative government.

But it is a recognized fact that the Conservative party and particularly the hon. member for Qu'Appelle (Mr. Hamilton) have given the farmers much more during six years of Conservative administration than they had been given by the Department of Agriculture while its activities were directed by the hon. Mr. Gardiner.

Those gentlemen said in their speeches that new leadership had to be given to the milk products industry and steps taken to have milk distributed in the schools. Well, Mr. Chairman, what do you have since those people have come to power? Are they carrying out the policy which they advocated in the past? Absolutely not. We are not distributing more milk in the schools than formerly. Perhaps those people have realized that we were encroaching on a field which did not come under their jurisdiction.

This is further evidence that they should have tackled the problem with more sincerity, that they should have studied it before speaking; thus, they would not have ventured in fields where they are completely lost.

When we were in power, the hon. member for Qu'Appelle had legislation passed to help particularly, the dairy farmer in the province of Quebec and eastern Canada. In order to promote butter consumption we granted a reduction of 12 cents per pound of butter to the consumer. This has represented a considerable incentive to butter sales and today, this commodity sells much more than formerly.

Mr. Chairman, there is something disturbing in the fact that the subsidy may be withdrawn altogether, as pointed out in an article I was reading a few weeks ago in *La Terre de chez-nous*. Is anything being done now to condition the farmer and the consumer in that respect?

I think it is my duty, in my capacity as representative of a semi-rural and semi-urban riding, to urge the Minister of Agriculture (Mr. Hays) and, if I may, the next minister of agriculture, to use all their energies and influence to have this subsidy maintained and not abolished.

Having said this Mr. Chairman, may I present to the Minister of Agriculture, to the aspiring Minister of Agriculture, as well as to all my friends in the opposition, my best wishes for the year 1964, but I wish them a short political life.

Mr. Dupuis: You are the friends in the opposition.

Mr. Pigeon: Mr. Chairman, I have a few comments to make to give the minister a chance to reply afterwards.

I wish to start by bidding the minister good luck in his new functions.

Then I should like to bring to the attention of the house a brief addressed to the present Minister of Agriculture by the corporation of agronomists of the province of Quebec. Here are a few excerpts:

> My dear Minister,
>
> The corporation of agronomists of the province of Quebec wishes to draw to your kind attention the situation of the agronomists who are employed by the federal Department of Agriculture in the province of Quebec. Several of these federal agronomists are not fairly classified and remunerated, considering the responsibilities attached to the duties they have to perform.

A little further down, it says this:

> Certain functions such as the inspection of crops should be the exclusive responsibility of agronomists with good knowledge of phytopathology and entomology acquired at the university. At one time, the veterinarian responsible for a sub-district earned exactly the same salary as the agronomist of the federal Department of Agriculture in the production service. Today, this veterinarian gets an average of $1,500 more in some cases. Yet, the agronomist's responsibilities are quite as important. A salary scale which discriminates against a profession in favour of others coming under the same employer, in spite of equal responsibilities, could not be considered as fair.

This letter that I have not read in full bears the signature of Mr. T. Mongeon, agronomist and secretary general of the corporation of agronomists of the province of Quebec.

I ask the minister and his departmental officials to look into those suggestions, in order that the agronomists in the province of Quebec, and even in other provinces, may be treated as fairly as the veterinarians and a complete review be made so that their professional status may enable them to receive a salary equivalent to those paid in other fields of agriculture throughout the country.

Mr. Chairman, the federal Department of Agriculture is one of the most important in Canada, and at the same time one of the most complex.

May I take this opportunity to congratulate the present deputy minister, Dr. Barry, who discharges his responsibilities so well.

I think, Mr. Chairman, the associate deputy minister of agriculture, Mr. Chagnon, who is a qualified man familiar with the problems of agriculture, particularly those concerning

eastern Canada, should have wider responsibilities in the federal Department of Agriculture, because the present deputy minister, Dr. Barry, assumes in my opinion so many responsibilities and does so much work that it is impossible for him, even if he so wishes, to give special consideration to all the problems.

I believe it would be in the interest of the federal Department of Agriculture, that is in the interest of the agricultural class, to find a means or method of sharing responsibilities, so that Mr. Chagnon, who has been appointed lately associate deputy minister of agriculture, would share equal responsibilities with Dr. Barry.

It is not my intention to blame anybody in saying this. On the contrary. I have always greatly admired the officials of the Department of Agriculture, but I believe there is reason to divide executive responsibilities at that level.

I should also like to make a few remarks in connection with federal experimental farms. The problems that arise there are not new; they are of long standing.

To correct the situation in the province of Quebec, it is imperative to take the necessary steps to provide the experimental farms with a greater budget and with more agricultural technicians, doctors in agricultural sciences and agronomists.

I know that agronomists are scarce in French Canada at present, because the Quebec government has attracted a large number of them by offering high salaries. In other words, the provincial government has fine agronomists in its employ.

I submit that the Department of Agriculture should give special consideration to the problem so as to find in Quebec agronomists to fill jobs first in Ottawa and, in the second place, at research stations in the province.

I would strongly advise the Minister of Agriculture to ask one of his deputy ministers to go to the faculty of agronomy at Laval University to explain to the students the federal government's need for agronomists, so that agricultural technicians may come and take the place to which they are entitled within the federal Department of Agriculture.

Mr. Chairman, I come back now to the subject of experimental farms. I have here figures and statistics but for the time being I have no intention of quoting them. However, I should like that special attention be given to the federal experimental farm of L'Assomption. I have here a report prepared by the local chamber of commerce of L'Assomption area. This report was prepared by Mr. Richard Bordeleau, who is the director of the experimental farm in that area; he is very competent and he has prepared this report with the co-operation of officers of the chamber of commerce in an effort to find a way to fill the vacancies in the federal experimental farm of L'Assomption area.

Let me quote a few excerpts from the resolutions passed by the chamber of commerce of L'Assomption on June 2, 1963.

> Whereas the number of stations for agricultural research as of April 1962 represented 21.3 per cent of the Canadian total for Ontario and 17 per cent for Quebec;
>
> Whereas the number of professionals engaged in that research represented to this date 17 per cent of the total for Ontario and 9.3 per cent of the total for Quebec.

This submission of the chamber of commerce goes on along this line and it is an excellent brief. As I said, we ought to try by all possible means to compensate this deficiency, this lack of agronomists at the federal level.

Those are the few remarks I wanted to make at this time.

I wish that in 1964, the Minister of Agriculture will be able to implement the brief of the corporation. I would be glad if, later on, the minister would be able to comment on it and tell us whether he thinks that the suggestions to be found in the brief are good.

To conclude, I also ask the government to fully consider the problems of the farmers in the east and in British Columbia. As we have said already, the work to be done is tremendous and the field is broad, but I know that by co-operating and working together, we will succeed in raising the revenue of the farming class in eastern Canada as well as in British Columbia.

[*Text*]

Mr. Rapp: Mr. Chairman, it is not my intention to prolong the debate on the estimates of the Department of Agriculture, but I feel it is my duty as a farmer from western Canada to seek clarification from the Minister of Agriculture of some of the policies that were advocated by the Liberals during the election campaign. Now that we are coming to the end of a session and also to the end of 1963 I believe it is the responsibility of the Minister of Agriculture to give us answers to some of the questions in which the western farmers are very much interested.

During the time the previous government was in office they were very much concerned about a two price system for wheat, and on three occasions during those years acreage payments were made in lieu of a two price system amounting to approximately $40 million a year. This did not seem to be acceptable so far as the Liberal platform was concerned and they recommended $2 per bushel

for No. 1 wheat, with the idea that the difference between the price farmers are now getting and $2 should be regarded as in the nature of a two price system for wheat consumed domestically. We have not heard anything more about this since this parliament started. The government also promised that in addition to a price of $2 per bushel for No. 1 wheat the prices of other grades would be adjusted accordingly, and I should like the minister to deal also with this point.

The second promise the Liberal party made had to do with the initial delivery of wheat. They promised that on the initial quota of 300 bushels a price of $3 or $4 per bushel—I cannot remember which—would be paid. The farmers of the west would like to know what the policy of the government is with regard to these promises. I must say that we have had a good crop and have been able to sell more wheat than in other years. Nevertheless, over the years the farmers have always asked for a two price system for western wheat, and before the session ends we would like to know from the Minister of Agriculture what the Liberal policy is in this regard.

Mr. Herridge: Mr. Chairman, I intend to take only a few minutes, because I realize everyone wants to get the estimates through as soon as possible. However, I do want to bring to the attention of the minister the fact that for some time, over a year, I was denied the opportunity to get reports made by the economics division of the Department of Agriculture with respect to the agricultural potential of the area affected by the proposed high Arrow lakes dam project and also with respect to the effect on agriculture of certain proposed dams in the east Kootenay area. Finally I got a copy of the report on the Arrow lakes quite recently from the deputy minister, Mr. Barry.

I simply want to say that if the economics division of the Department of Agriculture is going to publish reports as inaccurate as this one the people of Canada will have very little confidence in their reliability. This report mentions that there has been no detailed soil survey, and this indicates that the persons who made the report cannot know very much about the agricultural potential of the area. I am not going to read it because it will be dealt with by very informed people before the committee on external affairs when the Columbia treaty is presented to the committee. However, I can tell the minister I have one neighbour about 40 miles north of our home who shipped $40,000 worth of cattle last year. Another neighbour 40 miles to the south shipped $37,000 worth of cattle and fruit, and one little community which has about 80 acres in fruit shipped $60,000 worth last year. There are only three areas in Canada where peaches can be grown, the Niagara peninsula, the Okanagan, and sections of the west Kootenay district.

To indicate how inaccurate this report is, I wrote a letter to our retired district agriculturalist and horticulturalist, a man I have known for many years and who has had long time experience in the Kootenays. This is what he has to say with respect to the report:

Dear Mr. Herridge,

Your letter along with the preliminary report on the agricultural potentials of the area affected by the proposed high Arrow lakes dam project, received a few days ago. I was glad to hear from you and to receive this report. The report is very inaccurate and misleading in many respects. Where they got the information in this report is hard to say, as they have not given the district a true picture and facts as to agricultural production as a whole covering the area. There is nothing wrong with the soil, some of the best in the province, excellent climate, and water can be had for irrigation if required. Most kind of fruits can be grown in the area and can compete with the best grown in British Columbia. One of the best sections in the west Kootenay district for future development in fruit, field crops, hay crops, alfalfa and raising of livestock. Tree fruit diseases is not a serious factor in this area. New sprays that have been developed in the last few years makes it possible to control these orchard diseases with much less work and sure of success in the operation.

I sure would hate to see this beautiful agricultural valley flooded. We will need the land to produce food and a place to live.

Yours very truly,

E. C. Hunt

I have another letter from the manager of B.C. Tree Fruits Limited, who is preparing a brief and who is appalled at the inaccuracy of this so-called report on the potential of the area.

About a year or so ago I was informed of another report and I tried to get it without success. I wrote to the deputy minister of agriculture on November 26 last but I have not received a reply yet. In that letter I said:

I would also appreciate receiving a copy of the memorandum regarding the effect on agriculture of construction of reservoirs on the Columbia and Kootenay rivers between Luxor and Dorr dams, Department of Agriculture—July 14, 1960.

My complaint is first simply that apparently the departments of the government, or branches of certain departments, are making their reports to fit the political requirements of the government of the day. Now, we want accuracy; we must be fair about this.

My second complaint it that members of this house have been denied this information when members of the press and some other persons have seen these reports. That is what I object to very strongly indeed, and I bring this question to the minister's attention in

the hope that this information in both instances—that is, both reports—will be made available to all members of the house. I also ask that his economics division make a further study of this question, rather than the superficial one they have made in which they admit there has been no detailed soils survey and on the spot survey. I say without any hesitation that this report on the Arrow lakes section from an agriculturist's point of view is no credit to the economics division of the Department of Agriculture.

Mr. Hamilton: I do not intend to hold up the first item, but I do think I should ask the minister a precise question dealing with the payments for sheep scrapie. This comes under vote No. 75, compensation for animals, and if the minister would indicate now that he would be prepared to give us the answer to this question then we could let item 1 go through.

Mr. Hays: The reason I suggested that this information should not be made available is that I have quite a bit of experience of what happens when a flock of sheep is slaughtered because of scrapie. The hon. member for Qu'Appelle knows all that is involved, and the reason for a slaughter policy.

Since 1955 we have destroyed something like 14,000 sheep and 396 individual people have been involved in nine provinces. Usually the owner of a slaughtered flock has sold breeding stock or rams into four or five different provinces, and there is a belief that scrapie is an inherited disease. That being the case the animals which have been sold are followed, and in the interval probably one of them may have been sold to a farmer in Prince Edward Island. That animal is traced and destroyed, and this creates a problem for the man who purchased it because it makes it difficult for him to sell other sheep to his neighbours and sheep breeders. Even though the animal which has been destroyed may have been with his flock just a few days and may not have associated with his other sheep, breeders stay away from that flock for a long time afterwards. There is a stigma on the flock.

If the hon. member wants these names produced we will be glad to produce them, but that is the reason I thought it better not to produce them. There are some 134 people involved in Ontario alone and it was in the interests of protecting these people that I made the answer I did.

Mr. Hamilton: I think my point has been overlooked. In our system of public accounts in Canada it is required that the names of all people receiving money from the crown be listed. I think the minister knows that scrapie comes under the Animal Contagious Diseases Act, and these names must appear in the public accounts. They were there for last year, and I suggest the minister has no alternative but to put them in the public accounts. However, that is not my question. I am simply saying that if by the time vote No. 75 comes around the minister will consider giving this information, then we will not have to go through the process of waiting for a debate on the motion that was moved yesterday.

Mr. Pickersgill: Could I ask the hon. member a question. Does he say that he gave this information last year when he was Minister of Agriculture?

Mr. Hamilton: I am simply pointing out that under the public accounts the names of all those people who received compensation under the Animal Contagious Diseases Act are listed. You cannot get around that. I am simply saying that by giving the answer the minister gave in the house the other day he is bypassing parliament.

Mr. Hays: I understand that it is only with respect to those who are listed by special vote that this information is given, and that it has not been given in all cases.

Mr. Hamilton: The only thing I am trying to assure is that the rights of the house are maintained. The minister has no right to refuse information of this sort unless he can declare that it is not in the public interest to disclose it. I am simply pointing out that if the minister assures the hon. member for Dufferin-Simcoe that he will give this information, then we are quite prepared to drop the subject.

Mr. Pickersgill: I hope it will not be misconstrued if I intervene, but the minister has not had long experience in the technicalities and perhaps I have had too long an experience. True, the hon. member for Winnipeg South Centre described me as inexperienced earlier today, but perhaps this matter could be held up for a moment or two to consider what the practice was last year, and the minister has indicated that he is perfectly prepared to follow the same practice that was followed by the hon. member for Qu'Appelle.

Mr. Olson: Mr. Chairman, on this matter of scrapie we may as well finish the discussion on item 1. I had intended to raise it on vote No. 75. As all hon. members will know, I put a question on the order paper, No. 1,730, several weeks ago asking for exactly the information that the hon. member for Qu'Appelle is now seeking; that is, respecting the payment of compensation for the slaughtering of sheep that were diagnosed as having scrapie. I did not realize at the time that

so many breeders had in fact been paid under the act; I did not realize that it encompassed such a large area. As a matter of fact there are 393 breeders in nine provinces. This information is recorded on page 6054 of *Hansard*.

The reason I requested that the wording of that question be changed was simply to protect innocent breeders from having the value of their herds brought down because they had been named, when they did not actually have their herds exposed to scrapie for a long period of time; and of course, as has been pointed out, there is not complete agreement among the veterinarians even now as to whether this disease is hereditary.

In the question I put to the Minister of Agriculture, which was answered on December 18, I asked him to point out, without giving the names, those breeders who had received compensation more than once under the scrapie slaughter and compensation program. We see there are 13 such breeders. When I looked at the answer I found there was one sheep breeder, No. 7, who received $50,000 in September of 1959, and in July of 1963 he received $24,000. In other words, about $75,000 went to this one sheep breeder. Then further down a breeder is listed as No. 9. We find he has been paid three times, and in those three times he has received $143,000. In other words these two breeders have received about 35 per cent of all the money that has been paid out under the program in ten years of operation.

I think the Department of Agriculture, if they are going to continue this scrapie program—and in view of the information I have I think it should be taken off the list as a named disease for which compensation will be paid—these two breeders should be notified that if they want to get back into the sheep business they do so at their own risk. We have paid them well over $200,000 now. I understand there may even have been difficulty in arriving at the evaluation figures. There may be validity in the health of animals branch making compensation and demanding the slaughter of certain animals in order to eradicate disease, but in my opinion scrapie is a disease which they do not know exactly how to diagnose. As a matter of fact, in the United Kingdom they do not name this disease as something that can be eradicated by slaughter methods, and there is no compensation program. They destroy the actual animals that have the disease but they do not go back through the whole progeny of these animals and destroy them, because they are not satisfied that this is helpful; they are not even satisfied that it is contagious.

I intended raising this matter on vote 75, Mr. Chairman, but I think the time is long past for our health of animals branch in Canada to get in touch with the health of animals branch in the United States and see if they cannot reach some kind of agreement to take scrapie off the list; because the fact is that this slaughter and compensation for slaughter is destroying the purebred sheep industry in Canada. I would urge the minister to take this action as soon as possible.

Mr. Hays: Mr. Chairman, I agree with a great deal of what the hon. member has said in this connection, and we should take another look at the whole program. I should like to advise the committee that this matter is being reviewed in the United States early in the new year, and we will be represented there. I feel very much the same as the hon. member in this regard. We have been giving this program some consideration, and the United States is also giving it a great deal of consideration. In the first instance I understand that in so far as Canada is concerned this program was put in because of a very strong recommendation of the Canadian sheep breeders. They wanted to protect their market in the United States, particularly the purebred sheep market which we enjoy in that country. I concur in what the hon. member has said and can assure him that we will take a look at this program.

Mr. Rynard: Mr. Chairman, I would like to ask the minister a couple of questions. Before doing so I want to pay him a tribute for what Hays Limited, of which he was a member, has done for the purebred cattle industry over the years. I have known these people for a number of years and they have made a great contribution to the livestock industry of this country. I want the minister to know that we Holstein breeders are fully cognizant of the contribution made by Hays Brothers.

I want to ask the minister this question. At the dominion-provincial conference held here, when they were dealing with agricultural problems—and I know the minister's intense interest in the dairy industry—did he place before that conference the promise that his party made during the last federal election campaign, namely to put milk into the schools? I am sure he is as aware as anyone in the house that this would get rid of the surpluses faster than any other known method. I am wondering whether the minister discussed this with the provincial people at that conference.

I know it takes a little time to solve all these problems, but I want to ask the minister a further question about the family farm. I am sure he and his party, and all parties in the house, want to have the family farm retained. What is the minister doing in the

credit line to allow the family farm to carry on its tradition and stay in the family? Also what is being done, or what ideas has the minister evolved, to help those young men who want to come into this field and make farming their life career?

I also wish to congratulate the minister on the idea he enunciated with regard to machinery. He said the small farmer cannot afford to buy this machinery. However, I am a little confused as to how he proposes that the small farmer will get this machinery in order to look after his crop. I know the minister mentioned custom work, but I am sure he is very well aware of the fact that you may have grain or hay that needs to be harvested tomorrow and there may be many other fellows who want to do it at the same time. If we have too many wanting work done in the custom field alone, we will get into trouble; because you may lose your hay or your crop if you have to wait. Can he give us an indication of what he has in mind?

This concludes my questions, and I want to wish the minister a very merry Christmas and a happy new year.

Mr. Hays: I wish to thank the hon. member for Simcoe East. In so far as the school milk program is concerned, I might say we that we first discussed this with the provincial ministers in the spring. At that time it was decided we should gather information in connection with the school milk program in the United States and other countries as well as the various cities throughout Canada. We discussed the question again at some length at both the deputy minister and ministerial level yesterday. I hope we will have something that will be better than we now have.

There are a great many problems connected with the program because education is under provincial jurisdiction. There is a problem in having the milk dispensed properly by the teachers. Then, too, consideration was given to tying a school milk program to a school lunch program similar to the one that was instituted in Japan after the war. There is the question of accommodation in schools, but most of the schools have auditoriums and that sort of thing. I am sorry I cannot give more information at this time, other than to say the ministers would like to see something like this done. I can assure the hon. member the program is not forgotten.

In so far as the family farm is concerned, I have nothing to report as yet. We hope to do so at the next session. It seems to me if we are going to maintain the family farm we must take a look at the costs, and the costs that are pressing upon the farmer today more than any others are the high costs of farm machinery. In some cases the cost of machinery represents almost 50 per cent of the farmer's total investment. The provincial ministers are also interested in this question. Some of the provinces have gone quite a long way in attempting to solve it. We feel, of course, that we must work with them.

There is also an educational program in this connection. I hope we will be able to bring something to the house that will be satisfactory and will help maintain the family farm. If we are going to have the maximum amount of production it seems to me this is the area in which we will achieve production. I think we all recognize this.

There are one or two questions I should like to answer just to keep the record straight. I should like to give the hon. member for St. Hyacinthe-Bagot figures which would indicate that the price of milk for manufacturing purposes this year is 15 cents a hundred higher than it was in 1962. In fact it is higher than it has been for many years. We know that we will be continually making improvements, but these figures are for the whole of Canada. On November 29 the president of the national dairy council made a speech which was reported in the London *Free Press*. This report reads in part as follows:

> A shift to cheese production from butter has helped provide the dairy industry with the most optimistic situation experienced in many years, President J. M. Hartwick of the national dairy council of Canada said yesterday.
>
> "It is now almost certain that cheddar cheese sales in Canada this year will record an all-time high of well over 105 million pounds," he told the annual convention of the central Ontario cheese makers' association.
>
> Up to October 31, output was higher by 18 million pounds than last year—a testimony to the switch in federal price support programming to place more emphasis on cheddar cheese and less on butter, a chronic surplus item in the past five years.
>
> Mr. Hartwick said butter output meanwhile is down by 11 million pounds. Process cheeses, using about half the cheddar cheese supply, were selling at a rate about 4 million pounds higher than in 1962.
>
> "Total consumption of all types of cheeses in 1963 will be well in excess of 155 million pounds," Mr. Hartwick said. Per capita consumption on the domestic market this year will reach about 8½ pounds, an increase of nearly 4 pounds per person in the last 15 years.

The president of the national dairy council feels this way about the new dairy program which was instituted on May 1, 1963.

Mr. Ricard: Mr. Chairman, for the enlightenment of the minister I hold in my hand copies of bills from producers which indicate, in black and white, that what they received for their milk since the present Minister of Agriculture took office and eliminated the subsidy is 5 or 10 cents less. I urge the minister

to record the names I am going to read to him and inquire of these people if my statement is true.

For instance, the minister might write to Mr. Gilbert Bergeron of Ste. Rosalie. He will tell you that he has been paid less for his milk than he was under a Conservative government. The minister might write also to Mr. Raoul Vaughel of Ste. Madeleine, and Aime Leduc of Ste. Madeleine; Mr. Germain Tetreault of St. Barnabe and Paul Emile Tetreault of Ste. Madeleine. These people, Mr. Chairman, will inform the minister what is happening in their own businesses. They will inform him that the price they are receiving for their milk is less. I am only giving a few examples of what is happening in my riding. If the minister wants to be good enough to turn around and ask the hon. member for Stormont, who is sitting behind him, he will receive corroboration of what I am saying.

Mr. Pickersgill: The hon. member for Stormont is in the chair. I wonder if the hon. member for Qu'Appelle and I could clear up this other point.

Mr. Peters: Do it quickly, because it is one o'clock.

Mr. Hamilton: I have had conversations with the house leader, and I think as long as we have the assurance as to the right of parliament to get this information that we want, it will be all right. This is the first thing we are trying to establish. Second, we want to get the information for the hon. member for Dufferin-Simcoe. If the minister would give an indication that he is prepared to provide that information by using the technique that we used in answering other questions, that is identifying the breeders by number and by province rather than by name, then I think at this stage we would like to see that information.

Mr. Hays: I will be pleased to do that.

An hon. Member: One o'clock.

The Chairman: Shall item 1 carry?

An hon. Member: No; one o'clock.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

[*Translation*]

Mr. Vincent: Mr. Chairman, I had no intention of saying anything on item 1, but after listening to some of the assertions made a few minutes before the one o'clock recess, I feel it my duty to remind the house once again of something I have referred to on several occasions—at least twice, on May 23 and October 15 of this year. While the minister was absent as well as all the other members of the cabinet, I mentioned that the price of milk in the province of Quebec was lower this year than last year.

During the speech I made on October 15, 1963, I quoted figures from:

Report on milk products marketing, marketing information section, Department of Agriculture, Ottawa, Ont.

I said that, in August 1962, according to the figures published by the Department of Agriculture, the price of milk for cheese ranged from $2.85 to $3.05 and that this year, for the same month, it ranged from $2.85 to $2.97. That means a decrease of 8 cents per hundredweight for the farmers and producers in my province. We noticed that decrease in each of our ridings.

Before the adjournment, the hon. member for St. Hyacinthe-Bagot (Mr. Ricard) gave the names of the farmers who were getting less for their milk this year than last year.

Again, I would like to repeat what I said last May 23 by showing you, for instance, that a farmer in my riding, Mr. Jean Louis Lacharite, living in Petit St. Esprit, Nicolet, received this year $2.78 per hundredweight of milk, whereas he received last year $2.76 plus 25 cents per hundredweight in subsidies.

If the Minister of Agriculture (Mr. Hays) wants to make inquiries, he only has to write to J. J. Joubert Limitee, in Nicolet, and he will be told that they pay 23 cents per hundredweight less than last year.

I do not want to put on the record all the payments made by cheese factories that I have with me, but I do want to say this to the house. We are the representatives of rural counties, elected to this house to champion the interests of our farmers. I submit that when an hon. member gets up to put on the record of the house a given problem, which entails losses amounting to millions of dollars to the Quebec farmers, members should at least have the common decency to listen to him, to read his speeches and to study them.

Mr. Chairman, those figures are not the work of my imagination; they have been supplied to me by the Department of Agriculture itself. It was not my intention today to point out again their appropriateness. I thought that we would have the opportunity to raise the question in the committee on agriculture.

Therefore, in view of those facts, I am of the opinion that this question will have to be solved in this house, because the way the committee is sitting now, with 12, 15 and 18 Conservative and only two or three Liberal

members, we realize that those members are not interested in the problems of agriculture in eastern Canada, and we do not trust the Liberal government for the solution of our difficulties.

As I was saying, the price of milk is lower this year. Even if, in August 1962, the price of cheese was 32.2 cents a pound and the subsidy was only 25 cents per hundred pounds, the price of milk was lower, this year, whereas the price of cheese was 35.3 cents a pound and the subsidy, 30 cents per hundred pounds.

If you consider that from nine to nine and a half pounds of cheese can be produced from 100 pounds of milk, it means that there should be an increase of 25 to 30 cents per hundred pounds of milk. Moreover, whereas a subsidy increase of 5 cents per hundred pounds was provided before, we did not get that increase this year.

The other day I asked the Minister without Portfolio (Mr. Tremblay) and the Minister of Agriculture to give special consideration to that problem.

We are now at the end of the session, and indeed at the end of the year, and this problem concerning the farmers of my province seems to have been disregarded.

On May 23 last, when I pointed out the difference between the subsidies of 14½ cents per pound of fat and of 12 cents per pound of butter, I was told that those figures were incorrect. I still remember that some hon. members even went so far as to contradict me. But today, they must be saying: He was right, those prices are lower.

I should not want to see the estimates of the Department of Agriculture passed by the house without the minister giving us a clear and definite answer on the matter, and not only the type of answer we have been getting since last May: "The price of milk is higher and those who claim that it is lower than it was last year are wrong".

Well, Mr. Chairman, those are the figures given by the Minister of Agriculture which confirm that I was right to say that this year, the farmers are in such a situation on account of the inertia of the Liberal government, and the inaction of the 46 Quebec Liberal members who do not even bother to attend the meetings of the committee on agriculture—we, the 12 to 15 Conservative members, have to wait almost half an hour to have a quorum of 20. We only have to note the attendance in the committee on agriculture to find out that there are only two or three Liberal members, one or two out of 46, while we are only eight Conservative members from the province of Quebec and we are at least three to sit on this committee to discuss farm problems.

We do not make long speeches nor do we give lectures, but these problems exist and they have to be solved. It is important that this money which belongs to the farmers of Quebec and of the whole Canada goes back to them.

I should also like to mention that this year a 10 cents a pound subsidy is paid on casein, at a cost to the federal government of $2,300,000. The price for casein last year—and no Liberal member is aware, I think, of the casein price last year—was 20 cents on the Montreal market. This year, with the 10 cents a pound subsidy, the casein price is 21 cents a pound, that is an increase of 1 cent a pound to offset the 10 cents a pound subsidy. Now, this means that $2,300,000 go to 13 Canadian casein producers, 11 of whom are from the province of Quebec.

What I am saying about the price of milk used for the production of cheese also applies to the price of milk used for the production of powdered milk.

I should like to remind my Liberal friends once more that when they were in power, in 1953, the price of milk used for the production of cheese fluctuated between $2.23 and $2.40; $2.31 and $2.40, in 1954; $2.21 and $2.48, in 1955 and $2.45 and $2.76, in 1956. But under the Conservative administration, the price fluctuated between $2.73 and $3.00, in 1957; $2.87 and $3.15, in 1958; $2.80 and $3.16, in 1959; $2.85 and $3.12, in 1960; $2.80 and $2.95, in 1961 and $2.85 and $3.05, in 1962.

Following the return to office of my Liberal friends and the promises they had made—such promises as the hon. member for Lotbiniere (Mr. Choquette) used to make when he went around the province of Quebec saying: "I know about eggs, dairy industry"—the price of milk went down immediately to $2.97, that is a reduction of eight cents per cwt., because the government wanted to save the taxpayers from $6 to $8 million.

Now, eastern farmers, will not even get the income required to maintain their operations, if this situation continues.

[*Text*]

I will conclude this statement now, but I should like to hear a reply from the Minister of Agriculture. Let him not simply tell us, as he has told us three, four, five, six or seven times before, that the price of milk is higher. I want to hear him explain why farmers in the province of Quebec are losing millions of dollars this year because the price of milk is lower than it was last year and because the prices of cheese, skimmed milk and all the other milk products should be higher by at least 20 cents or 30 cents a hundred pounds.

[*Translation*]

Mr. Ethier: Mr. Chairman, I rise to support the statement of the Minister of Agriculture concerning the improvement of costs for milk producers.

The hon. member for St. Hyacinthe-Bagot (Mr. Ricard) stated, before lunch, that farmers had received 5 to 10 cents less this year than under the previous Conservative administration. I would like to remind him that he should intervene to the bureau of investigation under the Combines Investigation Act concerning the milk producers of his riding.

The hon. member mentioned the Glengarry-Prescott riding. Since I am the member for that constituency, which is the largest cheese producer in Canada, I should like to point out that according to the reports we have, the average received by farmers since May 1, this year, represents an increase of 10 to 35 cents per cwt. of milk based on a 3-5 testing.

Farmers who own their cheese-dairy received up to 35 cents per cwt. more than during 1962. Others who send their milk to privately owned cheese-dairies received between 10 and 20 cents more than last year.

Those who send their products to large condensed milk concerns even received between 5 and 10 cents more per cwt. than last year.

I should like to point out to the hon. member for St. Hyacinthe-Bagot that if he wants information, he only has to visit the Glengarry-Prescott and Stormont ridings.

The hon. member for Nicolet-Yamaska (Mr. Vincent) claims to have prices based on statistics of the Department of Agriculture. So have we. It has been recognized that, as a whole, farmers received between 10 cents and 20 cents per hundred pounds of milk more than last year.

Mr. Vincent: Would the hon. member allow me to ask him a question?

Mr. Ethier: When I have concluded my remarks, my hon. friend.

Mr. Chairman, I do not want the house to be under the impression that the new policy of the Liberal party is discriminatory towards farmers. I appreciate the fact that it may not be entirely satisfactory, but in my opinion, it constitutes a great step forward in the right direction, and the new policy of the Liberal party will continue to increase the income of our milk producers.

Mr. Ricard: Mr. Chairman, since the hon. member for Glengarry-Prescott mentioned me in his remarks, I wish to put a question to him.

According to a statement by the Minister of Agriculture (Mr. Hays), the federal government will save $6 million this year, by eliminating the premium of 25 cents per hundred pounds of milk; now, who will pay for that saving, if not the farmer?

If the hon. member for Glengarry-Prescott can give another explanation, he will have to inform the Minister of Agriculture, who does not share his opinion. And if they differ on that matter there is but one conclusion, namely that the minister does not know what he is talking about or that the hon. member is completely unacquainted with the present situation.

Mr. Ethier: Mr. Chairman, I think that the difference will be made up for by the increase in the support price for skimmed milk and such has been the case in my riding.

When the 25 cents per hundredweight subsidy was abolished, the manufacturers of condensed milk reduced their price by 25 cents per hundredweight only to increase it some three weeks after. In some instances, they have paid this year, in the ridings I mentioned, 5 cents and even 10 cents more than last year. Now, they may have discovered a new process; I do not know.

Mr. Ricard: It still remains that the government has caused the farmers to lose $6 million.

Mr. Vincent: Mr. Chairman, I should like to put a simple question to the hon. member for Glengarry-Prescott. What price is being paid at present in his riding for 3.5 milk used in the production of cheese?

Mr. Ethier: Mr. Chairman, as I said a moment ago, certain cheese-dairies pay $3.10 per hundred pounds at present. In the case of cheese-dairies owned by the farmers themselves the price is $3.55.

Mr. Vincent: $3.55 at this time?

Mr. Ethier: Yes.

[*Text*]

Mr. Hays: Mr. Chairman, I was asked to give an answer, and the answer is quite simple. I have here the dominion bureau of statistics figures, and these are weighted f.o.b. farm prices based on actual fat tests. In August, 1962 the price of cheese in Quebec was $2.72 and in 1963 $2.76. In Canada the average price in 1962 was $2.66 and in 1963 $2.78. For concentrated milk, which would include ice cream, butter, powder and condensed milk, the Quebec price in 1962 was $2.63 and in 1963 it was $2.72. For Canada the average price in 1962 was $2.60 and in 1963 $2.67. Inasmuch as roughly 90 per cent of all processors in Quebec are co-operatives there will probably be another payment and, if not, there will probably be some sort of capital gain as the farmers own the plants.

Mr. Vincent: Does that mean that we have to take the figures of the bureau of statistics instead of the figures of the Department of Agriculture?

Mr. Hays: Our figures just show a range of several factories that were picked out. The figures from the dominion bureau of statistics are weighted figures for both fat and milk.

Mr. Vincent: Was that the same range last year and two years ago for the Department of Agriculture?

Mr. Hays: They would be comparable with the dominion bureau of statistics figures.

Mr. Pigeon: I have a short question to address to the minister. Can the minister explain to the house what Mr. Sorel meant by his statement last October, when he said that the federal government and the Department of Agriculture are neglecting the eastern farmers and not paying attention to their problems?

The Chairman: Shall the item carry?

Mr. Pigeon: No.

Mr. Fisher: I have a couple of questions for the minister, Mr. Chairman. They deal with any policy or intention in the realm of policy that the government may have regarding farm cut pulpwood and bringing it under the agricultural prices stabilization board. This has been a general matter of suggestion. I believe it entered the realm of suggestion a number of years ago when the then prime minister was campaigning in Quebec. I have forgotten the exact date, but I believe he gave an indication at Rimouski that it was the intention of his government to bring farm cut pulpwood under the agricultural prices stabilization board. Nothing actually developed. When the hon. member for Calgary North was minister of agriculture he indicated that there were too many difficulties in the way. His successor had the matter under consideration for some time but nothing was done. I should like to know whether the government has any policy or any intention of trying to bring farm cut pulpwood under the agricultural prices stabilization board.

Mr. Hays: Mr. Chairman, I understand there are many problems, but I can assure the hon. member the matter is still under study by the stabilization board. No decision has been made yet but they are taking a look at the situation. Other than that I cannot add anything.

Mr. Fisher: I am glad to know that. May I say to the Minister of Agriculture that we will want to know more about this study at the next session. There is one point I should like to put to the minister and his officials who may be considering the matter. One of the arguments against doing this has been the fact that the pulpwood market focuses upon the pulp mills and so tends to break up on a regional basis. But it does seem to me that, given the location of the pulp mills in this country, it would be possible to mark out six definite market areas, centering one upon the maritimes, one with Three Rivers as the fulcrum in Quebec, one upon Ottawa, one upon the lakehead or lake Superior region and one upon the west coast. It seems to me that the assistance this would give the farmers would be very great.

The provincial governments of both Ontario and Quebec, particularly Quebec, have been very concerned about the need for farmers to get a decent price. As long as we have the situation where it costs a pulp mill cutting off limits it holds under lease $30 to $40 for wood while at the same time the price paid to farmers ranges from $16 to $25 in the various segments of Canada, there is such a wide spread that we cannot help but feel that if the price were stabilized by the agricultural prices stabilization board it would be of great assistance to people working in this field.

I think one reason there was a disaster at Kapuskasing last year in which three men were killed, and one reason there is conflict rests upon the fact that it has been impossible for the settler to get a good price for his wood. He has been forced into co-operatives that lead to shenanigans, with management set against the union which is operating in a way typical of the old dormitory style camp. It seems to me that a floor price guaranteed by the board in the various parts of the country would do a great deal to remove the antagonism as between the union, management and these settlers, and would lead to a new deal for this particular kind of farmer in the lakehead and northern Ontario generally who has to depend for his very existence on what he gets from the pulpwood cut.

The Chairman: Shall the item carry?

Mr. Pigeon: No, Mr. Chairman. We have addressed many questions to the minister and it is his duty to reply. Even if we are obliged to stay awake we will stay here if the minister does not reply to the questions.

[*Translation*]

Mr. Latulippe: Mr. Chairman, I am glad to have the opportunity at this time to express my views on the situation of agriculture in general but especially on the conditions of farmers in eastern Canada, in the province of Quebec and more particularly in the riding of Compton-Frontenac which I have the honour to represent in the house.

First, I should like to stress the part played by agriculture in our national economy. Without getting into all the details, I would say that, with the exception of the western provinces, agriculture has known better days in Canada.

In 1962-63, the federal government provided $161 million for agriculture. In 1963-64, the estimates of the department have been raised by $11,213,360 for a grand total of $172,221,-160. On the whole, that is not even enough to settle several major problems which face our farmers.

It is very difficult, according to our set of values, to reconcile some figures, to account for the fact for instance, that national defence appropriations are nine times higher than those of the Department of Agriculture.

We are given some information about the farmers' situation which leaves us sceptical, because it does not often reflect the actual plight of our farmers. For instance, *La Presse* published the following item on May 28 last:

> In 1962, farmers had a record income. But when the reasons for this 6.6 per cent increase over last year's income are looked into, it is soon realized that western farmers are those who benefited from it. We are happy about this, but the problems of eastern farmers remain unchanged, the solutions offered are often unpractical or still based on the work of three generations to come.

On the other hand, a press release from the association for the expansion and protection of agriculture in eastern Canada incorporated, dated January 1963, bears the following title:

> Income of Canadian farms falls during the year.

Let me quote the first paragraph of that press release:

> Canada is at the bottom of the list of countries where the farmers' income has decreased last year. According to the annual report of the United Nations Food and Agricultural Organization, the decrease reached 24 per cent. This has brought the net income of Canadian farms in 1961 to its lowest level since 1945. However, the cash income of farmers increased, owing to the sale of the stocks of the preceeding years, according to that report.

Here again, the marketing of those stocks concerns western farmers. To quote another sentence of the press release:

> It is difficult to reconcile the sad position of eastern farmers with the fact that our country should be first in agricultural prosperity.

I leave it to the hon. members of the western provinces to enlighten us on the various aspects of the agricultural situation in their region; thanks to the marketing of their wheat in the last two years, western farmers are sitting pretty, while in the east, most of our farmers are going through a very critical period.

[Mr. Latulippe.]

The *Economiste agricole* of August 1963, on page 75, has this to say about farm income:

> For the first quarter of 1963, the farm income in Canada reached $654.7 million, as against $596.1 million for the first quarter of 1962, and $661.3 million for the corresponding quarter of 1961. These estimates include cash income from the marketing of agricultural products, payments made by the Canadian wheat board on the grain crops of previous years, prepayments on grain stored on western farms and deficiency payments under the Agricultural Stabilization Act, but do not include the supplementary payments.
>
> The increase in income during the first quarter of 1963 is due mostly to the increase in proceeds from the sale of wheat, coarse grains, potatoes, cattle, calves and poultry products as well as to larger payments made by the Canadian wheat board on grain crops of previous years. There was also a slight increase in prices for rye, fruits, vegetables, tobacco, and dairy products.

It is quite easily seen that with a few exceptions, the increase radically ignores Quebec farmers and most of the eastern farmers.

The same situation prevails at all levels of farming for eastern farmers, and in particular for Quebec farmers.

Looking for a few minutes at the 18th annual report of the Farm Improvement Loans Act, we note, for instance, that as far as loans for the purchase of farm implements are concerned, Quebec is not among the four provinces which registered a raise in the loans for purchase of tractors. Once again, with the exception of Quebec and Ontario, there was an increase in all provinces of combines financing. For the purchase and financing of several other farm implements, Quebec always has the honour of being in the last place.

As far as loans for farm buildings are concerned, Quebec is conspicuous again, holding the last place. The situation is the same as regards loans for the purchase of cattle.

What is wrong in Quebec?

With your permission, I shall use a few examples taken in my own constituency to illustrate quite briefly the unfortunate lot of our farmers. First of all, Quebec agriculture has always been in a different context and generally does not know the specialization which characterizes western farmers.

Our farmers who are not very prosperous very often do not have the basic credit required nor the necessary security to secure loans. They often need guidance. On that matter, the federal as well as the provincial authorities do not seem to be capable to cooperate, and if the problems are taken into consideration, solutions are viewed in the framework of a regionalism which does not take into account geographic, physical, social and economic characteristics of a given sector in a region.

It is true comprehensive studies on problems are necessary to arrive at a guidance which may be useful to the majority. But, here again, if I refer to Mr. Brownstone, volume 3, page 59, chapter "Land Maintenance and Improvement" in *Resources for Tomorrow*, I read the following:

> Within each government jurisdiction there are problems of a different order. Effective land maintenance and improvement requires integrated, or at least co-ordinated effort from a number of directions. At the federal level, and in many of the provinces, such integration and co-ordination exists (if at all) only at cabinet level. The federal legislative-administrative organization for the use and management of agricultural resources is administered by ten departments. Complete integration may not be possible, but greater integration combined with effective co-ordination is a realistic objective.

However, the fact remains it should be possible for our farmers, and here I refer particularly to those in my constituency of Compton-Frontenac, to obtain the services of consultants to study their particular problems, and to see thereby the production potential and the economic soundness of farms which cannot support the farmers if they do not experience some specialization.

On page 23, dealing with agricultural resources, I read the following:

> There is no doubt research on soil sciences, animal and plant genetics and agricultural practices may increase production. The proof was obtained on a large scale.

But our farmers are caught, and they have to live and support their families. The *primo vivere* is found here as everywhere else. They have to expatriate themselves to the United States where they find work as labourers and lumbermen and they do not even benefit from the unemployment insurance when they come back. That is the pitiful situation of our old regions in Quebec. In *Le Devoir* of November 28, my attention was drawn to an article:

> Mr. Paul E. Lachance stated at Roberval that farmers cannot be at the same time farmers and foresters.

Our forests have always brought additional revenues but for the average farmer, they cannot give him a living and often they prevent preparatory works that should be done in order to make the land produce as it should.

We have great projects in existence, ARDA for instance, which in the long run may give tangible results.

What our farmers need, at least in my district, is to know if, for instance, it would be economical to start hog, poultry or cattle breeding, or else, if on account of special factors, truck-gardening would offer a solution, the blueberry culture could be considered, and our farmers could draw some revenue from reforestation. Those are all possibilities, but, the very idea often makes the individual farmer shrink from fear.

Our farmers should be able to borrow without having to pay interest rates they cannot meet; they should be able to purchase tractors at low prices. When we consider for one moment the money spent for the production of armoured cars and other motorized weapons which after all will never be used in our time, it is inconceivable that the government cannot do anything to provide for the equipment of those who are the very foundation of the country's survival.

Therefore, I appeal to the government to restore the value of agriculture in eastern Canada, to take concrete and efficient steps so that our farmers may earn a decent living and not have to keep trying to make both ends meet. Above all, I ask the government not to get muddled up in piles of dust-gathering reports and red tape which only serve to get everybody mixed up and do not help solve anything in the end.

Members of the cabinet, the situation is alarming, there is a revolt brewing among our farm people, and not without cause. It is more than time to get some action. Our farmers are not asking for favours. They have shown themselves ready to work. What they need is tools and capital, and leadership as well. We are waiting impatiently for a realistic piece of legislation, one which will not give everything to the same people. We agree that it is important that agriculture be prosperous in western Canada but the eastern farmer also has the right to live, not as an overworked second class citizen but in all the dignity he has managed to retain in spite of the fact that the government has neglected him.

The Canadian confederation will cease to be a Utopia the day the plowed fields bear their fruits from the Atlantic to the Pacific and will not just crowd the Rockies, unaware even of the existence of the eastern farmers and, in particular, of Quebec farmers.

As the spokesman for the farmers of the riding of Compton-Frontenac, I ask the government to take action before it is too late. These are not threats but rather the result of findings which are only partly translated by the few ideas I have tried to express here.

Mr. Choquette: Mr. Chairman, my contribution to this debate will be brief. First of all, I should like to say that I represent a farming constituency, probably one of the finest rural constituencies in the province of Quebec, with the constituency of Nicolet-Yamaska.

A while ago, my hon. friend opposite said that we have repeatedly stated on television and through other media that the Liberal party is particularly interested in agriculture.

Mr. Chairman, of all the assertions I made, I have none to withdraw, because the problem of agriculture is really for us the most serious problem, one which gets our very active consideration.

For the information of the hon. member for Nicolet-Yamaska (Mr. Vincent) and his colleagues, I must say that during the election campaign, our party promised to appoint a second minister of agriculture, who would be especially responsible for agriculture in the east. And I must say that, despite this commitment, we of the Quebec caucus felt that perhaps we had not gone far enough.

In fact, we brought pressure to bear—and we will continue—on the hon. member for Matapedia-Matane (Mr. Tremblay) and the Minister of Agriculture (Mr. Hays), that we may have not only two ministers of agriculture, but the establishment of a second department of agriculture, responsible for agricultural questions in the east.

That is why the Prime Minister (Mr. Pearson) replied that the question is still under consideration.

Consequently, the Liberal members from Quebec made representations and brought pressure to bear, and we trust that our efforts will soon be successful and give satisfactory results.

Mr. Vincent: Mr. Chairman, before directing a question to the Minister of Agriculture, I wish to put one to the hon. member for Lotbiniere (Mr. Choquette).

Can he tell the house how many times he attended the sittings of the committee on agriculture and colonization?

Can he tell us also how many Liberal members from the province of Quebec—if they have decided so at the caucus—were selected to attend the sittings of that committee, which has been sitting for a month and a half already?

Mr. Choquette: Mr. Chairman, I am not particularly interested in this type of competition concerning attendance at the meetings of this or that committee. In my opinion, the important thing is to find an appropriate solution to the real problem.

Besides, I may say to the hon. member for Nicolet-Yamaska that I stood up in the house much more often than he did.

Mr. Vincent: Mr. Chairman, one can realize the extent to which the Liberal members from the province of Quebec are interested in the problems of agriculture. I believe that if it had been up to them, the committee on agriculture and colonization would not even have sat since the beginning of the present session, for there were never more than four or five Liberals in attendance at the sittings.

And now, here is the question which I would like to direct to the Minister of Agriculture—

Mr. Asselin (Richmond-Wolfe): You did not even continue the sittings of the committee on agriculture and colonization? What have you done on your part? The committee has not sat since 1961. In fact, it was not even established.

Mr. Vincent: But when did the house adjourn?

[*Text*]

I should like to ask the Minister of Agriculture to make a comparison between the situation in Ontario and Quebec. I am referring to a report on dairy products from the markets information section of the Department of Agriculture. I believe that is a branch of the minister's department. In August, 1962 the price of milk for cheese factories in the province of Quebec was between $2.85 and $3.05; in Ontario during the same period the price was between $2.75 and $3.02. In August, 1963 the price of milk for cheese factories in the province of Quebec was $2.85 to $2.97, a decrease, whereas in the province of Ontario the price was $2.98 to $3.28, an increase of 25 cents to 30 cents a hundred pounds.

Will the minister tell the committee why there was a decrease in Quebec and an increase of between 25 cents and 30 cents per hundred pounds in Ontario?

Mr. Hays: I do not think I can add anything to what I have already said.

Mr. Vincent: You have said nothing.

Mr. Hays: I recited the bureau of statistics figures and explained that in so far as subsidies are concerned, all dairymen throughout the country are treated equally. I have nothing to add to the figures I gave to the committee.

[*Translation*]

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

A moment ago, Liberal members from the province of Quebec were accused of not attending the meetings of the agriculture and colonization committee. The committee is supposed to sit at half past three, and that is where we are going this very minute, Mr. Chairman.

Mr. Vincent: Mr. Chairman, may I point out to the committee that it will be the first time that the hon. member for Lotbiniere attends a meeting of the committee. I think I know the reason why. There is to be a vote this afternoon and the Liberal members insist on overruling the decision taken by Conservative members.

The Chairman: Order. May I ask the hon. member to restrict his remarks to the estimates under consideration.

[*Text*]

Mr. Vincent: Mr. Chairman, this is going to be my last question.

Some hon. Members: Hurrah.

Mr. Vincent: I hope you will applaud again after I get a good answer. I have a serious question for the minister, and it is going to be the last one. Is he ready to tell the committee that he will have a special look, not by somebody else but himself, into the problem which exists in my province in connection with dairy prices? If he is able to tell me that he will have a special look at this problem, I am ready to pass the first item of his estimates.

Mr. Hays: I spent about two and a half days with the minister of agriculture for Quebec during this summer. I was in Quebec and we discussed many of these problems. I can assure the hon. member this government is interested in all the farmers of Canada and all their problems. We know they have problems. We know there must be improvement, and we are making what we hope is a start in this way. We will continue to work for them, and I will be glad to go and see the people in Quebec.

Mr. Langlois: I have one or two points I should like to make in connection with the minister's estimates. One is related to a field about which the minister does not hear very much. I should like also to deal with some of the problems eastern producers are encountering at the moment.

On October 23 the minister sent me a letter telling me that he had given subsidies to the maple sugar producers in Beauce constituency, in my own constituency of Megantic, in Dorchester and in Frontenac. I understand that much of the 1963 crop has not been sold as yet, and some of it is going sour in the storage rooms of farmers or local co-operatives. The maple sugar business would be good if the government would go out and see if they could not get greater markets. At the moment many farmers are closing down their maple sugar business because it is not profitable; in fact at the end of the year they are in the hole to the tune of approximately $1 a tree.

I was at one meeting at which the yearly budget was presented, and it ran somewhere around $5 million. I would not have accepted a budget such as that. During the past five or six years maple sugar producers have tried to ascertain the market price for their product. They know what they are receiving for it, but they do not know the retail price. At the moment the producers receive from $2.35 to $2.50 per gallon for No. 1 syrup. I am sure if you bought that syrup from a store—I am not talking about the immediate vicinity in which it is produced—you would not pay $2.50 for that syrup. There seems to be some sort of control over this market to such an extent that syrup was not bought this year but left in the storage houses to go sour. Then, too, there is no relationship between the purchase price of the syrup and the return the farmer receives, considering the amount of work he has put into it.

I would ask the minister, instead of paying subsidies, to look into the situation and see if he can straighten it out. If the government were not paying subsidies I would not be talking about this here. But look what we are paying by way of subsidies. A lot of sugar businesses are closing down, and production of maple sugar is a typical business in eastern Canada. In fact production of maple sugar elsewhere in the world is rare. It would be a good thing if we got a larger market in Canada for maple syrup. We should stop buying extract which is supposed to be maple syrup. We pay a ridiculous price for artificial syrup; it is dearer than the pure product, yet the farmers cannot sell the real maple syrup produced on their farms. I would ask the minister to take this matter into consideration, and if he has any statement to make I would like to hear it, as would also the producers of maple syrup.

Another point I want to raise concerns the control which is developing over the sale of beef cattle in my area as well as in other regions, from what I have heard. This has developed as a result of brucellosis and tuberculosis in cattle. We are attempting to classify cattle in different areas and prevent their transportation from one area to another. A control is exercised in this way by federal inspectors. If they were provincial inspectors I would not mention the subject, but in my constituency federal inspectors have been trying to get all cattle to go to the slaughterhouse instead of to the butcher's shop, thus preventing the butcher buying direct from the producer.

If it is to be the case that sales are to be conducted only in this way, with the meat first going to the slaughterhouse, you will find the price will be fixed by the slaughterhouse, which will have complete control, probably indirect but nevertheless complete, and the farmer will know exactly how much he is getting for his beef and how much the consumer will be paying for it in the butcher's shop. This means the butcher will get a rough deal. The slaughterhouse will control the price and when one buys meat from

the butcher he will have to pay the price which the slaughterhouse wants.

I should like the minister to scrutinize this point and try to prevent possible control or monopoly in the meat market, a control which is developing at this moment. I would ask the minister, if any of his inspectors are found with their hands in such a business, not to hesitate to tell them in black and white what are the opinions of the minister and his department. Because if the federal inspectors are left to continue such a practice they can control the whole meat market in Canada, in that meat would have to pass through the slaughterhouse, which in turn would control the price of meat, which would result in a loss to the consumer and the producer but a profit to the slaughterhouse. I would ask the minister whether he has had any representations to that effect and, if so, what he intends to do about the matter.

Mr. Hays: Mr. Chairman, I might tell the hon. member that I have not had any representations about this matter other than his own. If these instances exist we would very much like to know about them, and I would certainly investigate them. I understand that the brucellosis program in Quebec will probably be completed in the next three years. This is a Canada-wide program. Farmers in many provinces who have cattle which are reactors to brucellosis have to send their cattle to a licensed slaughterhouse. That is the law. We have discovered a negligible amount of brucellosis in Quebec, but I will take the matter under advisement.

With regard to the maple syrup industry, they have sent representatives to see me on several occasions. The group which wishes to change maple syrup to sugar so that it can be stored were in to see me; they asked whether they could store it until prices were better. I will also take this question under advisement. They do have a marketing board, but if we can help them we will do so.

Mr. Langlois: Would it help the minister to decide, or would it broaden his opinion if I brought him some letters concerning the situation in the meat market?

Mr. Hays: Yes, I would like them.

Mr. Korchinski: Mr. Chairman, I have only one or two points to make, and I will be very brief. On one occasion the minister replied to a question of mine, as reported at page 2450 of *Hansard*, at which time I inquired about the possibility of paying the support price for hogs and eggs on a quarterly basis. This was one of the promises of the Liberal party and I am sure the minister is well versed in this subject. On that occasion he felt there was no need for this. This was on July 22 last. However, prior to April 8 there seemed to have been a dire need for this type of payment.

An hon. Member: Carried.

Mr. Korchinski: If the hon. member is able to convince the minister about this, then this item could carry. Someone suggests it should, and if he can convince the minister that is fine with me. I am wondering why the minister has suddenly changed his opinion. I am not so much concerned about why he has changed it, but I am wondering whether there have been further studies conducted to see whether these payments are possible, and if not, what are the reasons.

The second point I want to raise is in connection with scrapie. I know that listed in *Hansard* by means of numbers are several farmers who have scrapie among their cattle. I do not know what, for example, "No. 1" or "No. 2" means, or where these people live. One could be my neighbour. However, my point is that if my neighbour has sheep which are subject to scrapie I should like to know, for the simple reason that I do not want my sheep subjected to the same kind of procedures as sheep with scrapie, and I do not want them wandering through my fences, and so on. There may be a valid reason for not divulging the names of these people, but it seems to me that I as a farmer should be able to protect my sheep from other sheep with scrapie.

I am wondering whether the minister has given the matter enough thought. I am sincere about this, because I think this disease can be spread unless areas in which scrapie is prevalent are listed and made known. There may be no cases in my area, but how in the world can we protect ourselves unless we know?

The department is very reluctant, obviously, to give us information on this. If the department does not want to tell us the amount of money which is being paid that is one point, but the point I am raising is that we should be very careful about this and should inform the municipalities in farming areas of the regions in which scrapie is prevalent, thereby protecting other farmers with sheep in those areas.

Mr. Hays: In connection with the first question, we spent two hours this week discussing quarterly payments at the ministerial level with the ministers of agriculture. The deputies also discussed this question, I understand. I can say that this subject is under review. We do not know whether we should be doing it or not. I can assure the hon. member we are studying it.

In connection with scrapie, let me say that this disease does not appear to be highly contagious. The best authorities believe it is inherited. When an infected animal does move into another flock, the procedure is that the flock is quarantined until the animal is destroyed. But there is no evidence that the disease is contagious.

Mr. Korchinski: Would the minister not consider designating particular areas where scrapie is prevalent? The authorities are not sure how the disease is caused or how it is spread. They do not really know whether it can be transmitted from cattle to horses or from dogs to cattle. If an area were designated the disease might be confined. Members know that animals affected by foot and mouth disease are destroyed. Surely we should be more concerned about measures which might be taken to control scrapie and keep this disease from spreading. It seems to me that the department is extremely vague on all these points and that it should make more information available.

Mr. Hays: I would be glad to give the hon. member a complete report on this disease.

Mr. Korchinski: Give it to the house.

Mr. Hays: If the hon. member wishes I will be glad to pass on what we have learned about it. The disease is prevalent in the old country and the United States, and my personal opinion is that the situation is not serious.

Mr. Herridge: Before this item carries I should like to direct two questions to the minister. Will he make available the reports on agricultural land in relation to the effect of the construction of the Luxor and Dorr dams, which were prepared by the economics division of his department?

My second question is, would the minister give the committee the names of the officials who prepared these reports in relation to proposed dams on the upper and lower Columbia?

Mr. Hays: I will look at those reports and check into it.

Mr. Herridge: You will give them to the members?

Item agreed to.

Research branch—

20. Branch administration including Canada's fee for membership in the international society for horticultural science and $128,290 for grants in aid of agricultural research in universities and other scientific organizations in Canada, $1,974,100.

[*Translation*]

Mr. Pigeon: Mr. Chairman, I only wish to put a question to the minister.

What does he intend to do in order to fill the vacancies in certain experimental farms, one of them being that of L'Assomption?

[*Text*]

Mr. Hays: We are trying very hard to fill all these vacancies.

An hon. Member: When?

Mr. Hays: We are doing it now.

Mr. Peters: The other day in the committee we asked some of the officials of the research branch what work was being done in relation to sterilized products. We were referring to sterile milk products, sterile meat and other foodstuffs. A good deal of work has been done in this field in other countries, but we were told that little had been done in Canada.

In the area from which I come sterile milk, sold under the label of Multimilk, is causing a good deal of concern to farmers, because the milk which is used is a surplus product selling at about $2.80 a hundred. It goes into northern Ontario and meets competition from fluid milk at about $5.15 a hundred. So there is a great difference between the reward the farmer gets for his share in the production of these two products. I think there would be less complaint if those concerned were bringing in fluid milk from the London area. It would still cause concern, but transportation costs would be an important factor in determining the final price.

If the farm organizations had known the potential of this sterile milk product before it began to enter the area, the farmers would never have allowed it to come in. They would have done the advertising necessary to counteract its sale. They would have been prepared, if necessary, to pool their milk resources and supply a similar product, presumably under another name, as a secondary product. In any case a competitive system would have been established.

I refer in particular to Timiskaming and the surrounding area, because this is the area where the product got its biggest try-out. I know it is possible to buy Multimilk in Ottawa as well as in other parts of Ontario. There is an argument going on around this product at the present time. The federal Department of Agriculture so far has not been able to decide whether the sterile milk is actually a processed milk product, such as reconstituted whole milk, or whether it is condensed milk and therefore a secondary milk product. This is an important question as far as the farmers are concerned because it means a 100 per cent difference to them in the prices they receive.

I presume the minister has some knowledge of this problem. I suggest the farm organizations should at least have been given some information about this process. I am not saying the department should get mixed up with the negotiations in the districts and in the divisions which are being conducted within the industry. Ontario has had more than its share of heartaches in this respect. But it is not too late even now to do something about this situation. The department has been carrying out extensive research with regard to the extension of this sterile product patent to various other foodstuffs, including meat. In the United States a steak can be wrapped in ordinary, clear paper and put on a shelf or a table for two or three weeks, without refrigeration, and at the end of that time the meat is still in a satisfactory condition for human consumption. There are, however, some reservations to be attached to this. The process kills most of the bacteria which cause deterioration. Milk does not turn sour and meat does not go bad. But the process is not capable of destroying all the types of bacteria which may be present, and the product may still not be fit for human consumption.

There is another point which I wish to bring to the minister's attention. Many housewives can go into a store and buy cream—this is quite a complaint recently—that has an additive so the cream does not go sour. But the cream becomes very blue or light in colour. When you pour it into coffee it does not curdle, but the taste is something out of this world and anybody smelling it would probably not bother with cream for some time. This additive is not illegal, but in my opinion some research by the department is warranted because we are now entering upon completely new technological developments in the handling of dairy products.

I was surprised when the director of the research department said that cream with such an additive had not been investigated. It may be that the amount of the estimate is not high enough and more people should be added to that branch. I am sure they are very capable in their field of research, but I think the farmers have the right to be forewarned and to have some advance knowledge of the technological advances that are taking place, because this is vitally important to the operation of their marketing agencies and the method by which they control the distribution of their production.

I am not sure whether the federal government is going to look after this field or whether it is the provincial people, with some of whom I had the opportunity of talking the other day. However, I believe there is an obligation on the federal Department of Agriculture to do the necessary research so that before any change in the product takes place the farmers will have the opportunity of knowing that such a change can be made.

I am sure you personally, Mr. Chairman, inasmuch as you represent a constituency with a very large dairy industry, are aware of the developments that have been taking place in the last few years in the use of bulk tanks and other methods of handling milk. Milk is no longer collected from the farms every day but rather several times a week in the winter and perhaps more often in the summer. This type of milk handling has resulted in very large credit outlays on a fairly long term basis, and the farmers are encountering a great deal of this in the operation of their farms. It seems to me that when a large truck can come into an area and have enough milk under light refrigeration to supply that particular area, this is a hazard that the farmers should have been warned about so they might have been able to do something about it.

I do not imagine this matter can be decided today. I am not demanding that the minister give an opinion on it or express any indication that it is going to be examined, but I strongly urge that the minister at least consider it. It is a new and large field. In my view it is going to play a considerable role in eastern agriculture in the near future, and if the federal government wants to make a greater contribution than it has been making probably the cheapest way they can do so while at the same time providing the most assistance to many farmers would be in the field of research.

[*Translation*]

Mr. Latulippe: I wish to direct a question to the Minister of Agriculture (Mr. Hays). Does he intend to re-establish the $3 premium on hogs.

[*Text*]

Mr. Hays: It has never been taken off. It is $3 now.

Item agreed to.

40. Agricultural Stabilization Act, administration, $504,800.

Mr. Pigeon: Is it the intention of the Minister of Agriculture to stabilize the price of feed grain next session?

Mr. Hays: Mr. Chairman, the whole matter of feed grain is still being studied. I would not care to answer that question until we have made a complete study of the whole subject.

Mr. Peters: The minister has now had an opportunity of examining the Agricultural Stabilization Act, and some minor changes

have been made. Does the department contemplate the continuation of the program as it applies now, or is there a possibility of extending the stabilization of prices to other agricultural products, one of them being pulp?

Mr. Hays: Any policy that is good the government will not be changing but will be trying to make better. So far as pulp is concerned, we covered that before. I said the matter was under investigation. Does that answer the question?

Mr. Nasserden: Mr. Chairman, I wonder whether the minister can give some indication whether any change in the support price of eggs is under consideration.

Mr. Hays: There is no change. An announcement was made in the house a few days ago as to the 34 cent basis.

Mr. Nasserden: I asked whether there was any thought of making any change in the future.

Mr. Hays: I believe the matter has to be reviewed every 12 months. We have just finished taking a look at the egg situation, and I think the floor is 34 cents.

Item agreed to.

42. Subsidies for cold storage warehouses under the Coal Storage Act, $76,500.

Mr. Howard: Mr. Chairman, I have a particular interest with regard to this item and it does not involve agricultural products but, strangely enough, fisheries products. At one time the subsidy under this act used to be one third of the capital cost of the particular warehouse under construction. When the hon. member for Qu'Appelle was minister the one third subsidy was limited by putting on a ceiling of $50,000. When the austerity program came into being following the 1962 election the subvention was suspended, and we have assumed that no action has been taken since 1962 to give assistance under this item to those wanting to build cold storage facilities.

As I said, my interest is in fisheries products. Since this matter first came to our attention it has always seemed odd to us that agricultural products and fisheries products should be lumped together in the same department and considered by the same set of officials. We submit that conditions with regard to the two types of products are quite different, and that there should be a division of responsibility in considering applications for subventions to build cold storage warehouses. If that were done the Department of Fisheries would have under its jurisdiction the consideration of grants for fisheries products cold storage warehouses and the Department of Agriculture would naturally concern itself with agricultural products.

The proposition I put forward now and which we have put forward in past years was supported very strongly by the Secretary of State and others when they sat on this side of the house. I put it forward now not to embarrass the government but only to remind them that we should like to know what consideration has been given to the division of responsibility for the consideration of applications for grants, so that the Minister of Fisheries and his department would concern themselves with applications for grants for fisheries products cold storage warehouses and the Minister of Agriculture would retain his authority in so far as agricultural products are concerned.

Inasmuch as the subventions have been suspended since July of 1962, about a year and a half ago, I should also like to know why there is an item of $76,500 in the estimates for the current fiscal year for subsidies under the Cold Storage Act.

Mr. Hays: To answer your last question, this $76,000 is an old commitment. I think I answered the other part of the question this morning when I stated this whole program was under review. Although I do not think it is necessary, the fishery department in the past has approved of these grants.

Mr. Howard: I understood the minister to say he did not think it was necessary for the fisheries department, as was the case in the past. Perhaps I have misunderstood him.

Mr. Hays: Yes, it is not required by the act.

Mr. Howard: No, it is not required by the act, but what I am getting at is that they should have prime consideration in dealing with applications.

Mr. Hays: They do have. We refer it to them for approval of the application.

Mr. Howard: Then I misunderstood the minister in the first instance and I thank him for clarifying that. He has said this $76,500 is for commitments, I gather, prior to July, 1962. Could the minister indicate how many commitments, for what purposes, in what communities, and the total amounts?

Mr. Hays: There are two items. One is the Tignish fishery co-operative association and the other is the Belleville, Ontario cheese producers co-operative, $50,000.

Mr. Howard: Where is the first?

Mr. Hays: Tignish, Prince Edward Island.

Mr. Howard: Have no subventions been paid for applications since July, 1962?

Mr. Hays: The date for Tignish is November 9, 1961, and the other date is January 18, 1962. That is when these applications were approved.

Mr. Howard: I have been given to understand that there is a fisheries produce cold storage warehouse in the Magdalen islands. Is that the one to which the minister just referred?

Mr. Hays: No.

Mr. Howard: I understand its application came in after July, 1962, and I wonder could the minister tell us what happened to it. Has it been considered, or how has it been dealt with?

Mr. Hays: I think these are applications that are being considered but they have not yet been approved.

Mr. Howard: The minister said he thinks they are being considered. Are they?

Mr. Hays: They are, yes.

Item agreed to.

50. Dairy products division—grants and other assistance in accordance with the Cheese and Cheese Factory Improvements Act, $1,073,000.

Mr. Peters: Is any promotion being undertaken by the department to subsidize the production of cheese suitable for export to Great Britain? There is a shortage of such cheese because fairly large storage is necessary to keep the cheese for six months, as opposed to the pasteurized type of cheese which we in Canada eat, but which has proven unsatisfactory to our European customers, particularly the British.

Mr. Hays: This is something we are studying. I understand we pay a subsidy of two cents a pound on premium cheese and the item here amounts to something under $1 million. Does that answer the question?

Mr. Peters: No. The problem is that we have two types of cheddar cheese. We Canadians do not pay too much attention so long as it is cheddar cheese, but the British will not buy pasteurized cheddar cheese. This cheese is usually held in storage for 30 days and has been very suitable for the Canadian market, but a few years ago when the Ontario cheese board tried to develop the export of it they met considerable difficulty, and arrangements had to be made for that board and the Ontario government to pick up a fairly large loss on the product. There is a market for 75 million pounds of cheese of the type suitable to the British taste, but the cheese factory in my area, for instance, which has facilities to handle high flash pasteurized cheese cannot contemplate the extension of storage required for cheese suitable for export.

Mr. Hays: I think I get the question. There is a difference in this cheese, in the pasteurized cheese, and there is even a difference in the fodder cheese. There is a market in Britain for more of the raw milk cheese, as it might be called, the cheese which is produced from milk when the cows are out on grass. I think the cheese board is having a great deal of difficulty making the other cheese as acceptable as raw milk cheese, but I can assure the hon. member that our research people are working on the problem and are trying to find out why there is a difference in these two cheeses. I hope they will soon have some of the answers because I recognize the problem and it would be a great boon if we could export more.

Mr. Peters: Will the minister keep in touch with the Ontario cheese board on this?

Mr. Hays: Yes, very closely.

Mr. Peters: This is a problem which is difficult for the Canadian people to understand for the simple reason that they cannot distinguish between unpasteurized raw milk cheddar cheese as opposed to pasteurized cheddar cheese. Both look the same and have the same market, so far as we in Canada are concerned.

Mr. Temple: Mr. Chairman, if these were the estimates of the Department of Mines and Technical Surveys I would have no hesitation in speaking about Black Diamond, but since they are the estimates of the Minister of Agriculture I will confine my remarks to cheese in general.

Mr. Peters: Your Christmas present was appreciated.

Mr. Temple: Thank you. In the first 11 months of this year we produced some 19 million pounds more cheese than in the corresponding 11 month period of 1962, and I think the drive on the part of the minister and his colleague, the Minister of Trade and Commerce, towards increasing our exports will be quite successful.

There will be an increased burden put on the present facilities for the production of cheese. At present a grant up to a maximum amount of 50 per cent, or X number of dollars, is made available when two cheese companies amalgamate. I know that the producers are grateful for the assistance of this 50 per cent towards the cost of installing cooling equipment in their curing rooms, and for renovating and acquiring new equipment when an amalgamation takes place, but I would like to know whether consideration is

being given to making grants available to a single joint stock company, where there is no amalgamation in the making, or to the provision of substantial loans for an individual joint stock company at a low rate of interest.

Mr. Hays: The curing room grants are available, or have been available, but not the others. I believe I also mentioned this morning that this whole matter is under review at the present time, and we will probably be coming up with some of the answers in a very short time.

Mr. Howard: Am I to understand, Mr. Chairman, that subventions payable under the Cheese and Cheese Factory Improvements Act have been suspended, or are in a state of suspension at the moment, similar to those under the Cold Storage Act?

Mr. Hays: They were suspended temporarily, but we are taking a look at them now, on merit. We have some applications, and we have accepted some.

Mr. Howard: In fact if there is no suspension at the moment—

Mr. Hays: No.

Mr. Howard: —it will certainly appear to people in the fishing industry especially that they have been getting an unfair deal. Perhaps, Mr. Chairman, I could be permitted to go back briefly to dealing with the Cold Storage Act subventions. People in the fishing industry have felt, naturally, in the past that they have not been getting a square deal, because the consideration of applications for subvention was under the Department of Agriculture. Perhaps what is of greater concern now is that they will feel more intensely that they have been unfairly treated because the minister has said that in so far as the Cheese and Cheese Factory Improvements Act is concerned there was a moratorium on subventions but that has been lifted, and yet the moratorium in reference to the Cold Storage Act—and I assume these acts were both instituted at the same time, namely in 1962, as a result of the austerity program—has not been lifted. People in the fishing industry will feel even more concerned about this. At this juncture, Mr. Chairman, I would urge upon the minister to please, for heaven's sake, give an extra bit of consideration to this particular question—and not just extra consideration, but favourable consideration. I would ask him to listen to the Minister of Fisheries, who knows what is going on in the fishing industry, and let him have jurisdiction over matters concerning fishery products.

Mr. Hays: He does, and last month they were lifted. He has considered some. This is in connection with fish.

Mr. Howard: Am I to understand now, Mr. Chairman, that the subventions under the Cold Storage Act, in so far as they apply to fish—

Mr. Hays: No, cheese.

Mr. Howard: —do not exist any longer; there is no moratorium?

Mr. Hays: I am speaking of cheese factories. The fisheries department are now considering some of the applications in so far as cold storage for fisheries is concerned.

Mr. Howard: It is very nice that they are considering them. I am sure the people who applied will be interested to learn that. But why are they considering them if the subventions under the Cold Storage Act are in a state of suspension?

Mr. Hays: I cannot speak for the fisheries department, because the Minister of Fisheries approves those applications. But he has suggested to me that they are now taking a look at applications in so far as cold storage for fisheries is concerned. I would suppose that in the not too distant future they will resolve them. But they are taking a look at some of the applications that have been received. I believe they have two at the moment.

The Chairman: Shall the item carry?

Mr. Howard: Just before it carries, Mr. Chairman, I should like this matter clarified. I regret that perhaps I did not understand this too clearly when we were dealing with vote 42, but perhaps with the consent of the committee I might clarify the matter now.

Mr. Hays: Would you like the Minister of Fisheries to clarify it for you?

Mr. Howard: Yes; but the Cold Storage Act comes under the Department of Agriculture.

Mr. Pickersgill: And the item has passed.

Mr. Howard: And, as the Secretary of State has said, the item has passed. The item has passed because we accepted the statement of the Minister of Agriculture with respect to it. But now when we get into item 50, which deals with the Cheese and Cheese Factory Improvements Act, and I ask a question following the discussion on that item, I find the minister was not at all clear when giving the information under that item. That is why I asked if we could deal with it now.

Mr. Pickersgill: Mr. Chairman, I suggest that the minister's suggestion should be accepted. The Minister of Fisheries is ready to go on with his estimates as soon as these are completed, and he will be very glad to give an answer on this point, with which he is thoroughly familiar.

Mr. Howard: I quite agree that the Minister of Fisheries is thoroughly familiar with this point. However, if we could agree to this course of action I am sure we could reach an understanding now, so the Secretary of State will not rise to his feet when we are considering the items of the Department of Fisheries and complain that we should not be concerning ourselves with this question because the item under consideration in the estimates of the Department of Fisheries does not deal with cold storage warehousing. If the Secretary of State will give that undertaking, I will be quite hapy.

Mr. Pickersgill: I am sure, Mr. Chairman, the hon. gentleman did not mean the implications of what he has said, because I do not think he has any ground for saying that any undertaking I have given to him or anyone else has not been carried out.

Mr. Howard: Mr. Chairman, if the Secretary of State draws this conclusion from what I said, he is drawing the wrong conclusion. I do not wish to imply any motives or anything else to him. I merely at this stage want to make it clear to everybody, not only to the Secretary of State—although I made reference to him as being the one who might raise the question as to whether we were on the right item—just so the committee understands that when we get to the fisheries estimates objection will not be raised that we are dealing with something that is not properly before us. I want that understanding, that is all.

The Chairman: Shall vote 50 carry?

Mr. Barnett: I think it should be pointed out to the committee, Mr. Chairman, that the concern of the hon. member for Skeena might arise in part from the fact that we have already dealt with item 1 of the estimates of the Minister of Fisheries. I wonder whether we could reach the understanding in the committee that we will deal with this question under vote 50 of the estimates of the Department of Fisheries, which vote has to do with the Newfoundland bait service?

Mr. Pickersgill: I do not think it matters under which item it is discussed. Let us have it under vote 50.

Item agreed to.

90. Livestock Division—Grants to agricultural fairs, exhibitions and museums in accordance with regulations of the governor in council; payments pursuant to agreements in force on March 31, 1963, with exhibitions covering the construction of buildings and other major undertakings; and a grant of $50,000 to the royal agricultural winter fair, Toronto, and freight assistance on livestock shipments for exhibition thereat, $751,600.

Mr. Peters: Mr. Chairman, with regard to vote No. 90, I have received, as I am sure the minister has, many representations asking whether the original intention of the federal government in making available grants to the class A and class B fairs could be extended to the class C fairs, because the class C fairs would appear to be doing more for agriculture than either the A or B class fairs. I do not see the fairs listed here, but one of the A class fairs, I presume, would be the national exhibition. Then there is the royal winter fair, the eastern Ontario agricultural fair. I believe they are B class fairs. C class fairs are those little fairs that are held throughout the agricultural communities across the nation which allow farmers to show farm livestock for exhibition purposes, vegetable displays, farm crafts and the other aspects of farming in relation to what is actually happening in a community. The A and B class fairs in my opinion—and I think this opinion is shared by many people—have gone into the exhibition class and are really trade class fairs now, rather than agricultural class fairs. The problem is developing in my own area where we have a very large C class fair at New Liskeard. This has reached the size now where there is constantly a great deal of pressure put on the fair board to include exhibitors who are not in the agricultural field at all; they may be automobile, manufactured goods, natural gas or any other entrepreneur. These people are asking to hold exhibitions there and exhibit their potential and their wares, rather than the agricultural people themselves.

If some consideration were given to these class C fairs, it is my opinion that these agricultural fairs would be the ones to really demonstrate the potential of agriculture in a given area. There are many small class C fairs that do a great deal of good. As an example, there is the Charlton fair in my area. It is very small. I do not know the standard for a class A or class B fair, but I suppose it has some relationship to the number of people who attend. Charlton is a small community of about 700 people, and is a fairly progressive potato growing area as well as other mixed farming.

I use Charlton as an example of what I believe agricultural fairs should do. There was a family a number of years ago who started exhibiting what I suppose were very muddy and misshapen potatoes. The judges who came from other areas to the Charlton fair told this family what the different types of potatoes were supposed to look like. As a result of this the family, by the name of Ryan, eventually was able to win first prize at the Charlton fair. They later exhibited their potatoes at the royal winter fair where they took first prize. Then, they exhibited them at the international world fair and their

potatoes brought to Canada and the little village of Charlton the world championship.

The point I am making, Mr. Chairman, is that as a result of the education process which takes place through these fairs, people can often develop products that are able to bring awards to Canada and bring esteem to our nation. The hon. member for Cochrane, of course, could tell the same story. Over a period of many years, as a result of exhibiting in small fairs, people in the Cochrane district have been able to develop a wheat crop that has won the world championship. The same process has been repeated with other products.

The point I am making is that when you have people winning these awards who originally exhibited at small regional fairs, this shows the value of the small class C fairs. I am sure the minister is familiar with this problem. I am quite sure he goes to more fairs than I do. I am proud of the fact that I have quite a number of them in my area. I am sure he has seen many class C fairs, the ones in which manufacturers do not ask for space, and in which the farmer exhibits the products he has worked very hard to develop. It seems to me that this is the area in which the greatest gain to the farmer would be derived. The farmers who start exhibiting in class A and class B fairs probably never reach the top. Those who start in class C fairs very often develop products that win awards. These fairs, therefore, are the ones that are the most worthy of support. I should like to ask the minister to really consider this matter.

There are many young people in the 4-H clubs and junior farm organizations who would like to contribute to these class C fairs. These are the ones that the federal government does not assist. I am aware of the fact that there are difficulties involved in the way of grants for buildings, perhaps scholarships, and so on. Perhaps these awards could be given to certain classes who would be entitled to exhibit at a higher level. Certainly, in northern Ontario, there is a great interest in continuing and expanding the class C fairs. I should like the minister to consider this matter very seriously because it seems to me this is one way in which he could help to develop a better type of agriculture both in relation to animal husbandry, plants and grain.

Item agreed to.

91. Livestock division—special grant to royal agricultural winter fair, Toronto, $140,000.

Mr. Hales: I should like to make a brief comment on this item and compliment the Minister of Agriculture on this grant to the royal winter fair. I am sure the minister knows the great benefits this grant provides through the development and promotion of the royal winter fair, the largest and finest show in North America. Many improvements have been made around the buildings. There is the new entrance and the hall of fame, which the minister had the opportunity of opening this year, wherein the portraits of leading agriculturists in Canada and those people who have done so much to promote agriculture are hung.

If the minister has any doubt about where the money might come from for this grant, I suggest he take a long, hard look at two sections of his department. The first one is publications. I believe there are many publications going out that need to be updated. There is also a great amount of duplication between the provincial departments of agriculture and the federal department in respect of some of these publications. I think this results in a waste of the taxpayers' money. The same situation applies to the field of research. Many experiments that are being carried out by the provinces are being duplicated by the federal department. There needs to be more co-ordination in the experimental work that is being done in agriculture. I would, therefore, mention those two branches to the minister for close scrutiny.

Item agreed to.

95. Livestock division—grants to agricultural organizations as detailed in the estimates, $266,200.

Mr. Herridge: I should like to spend a moment on this item of $266,200 which consists of grants to agricultural organizations. It is a worth-while item. I notice that included in those grants is a grant to the federated women's institutes of $10,000. I rise to urge consideration of increasing this grant in the years ahead. I am sure the minister has knowledge of the excellent work that is done by the women's institutes throughout Canada. I have had knowledge of their work for some 53 years, their dealing with fairs, giving demonstrations in small communities and compiling the history of a community. In some cases, they have looked after cemeteries and dealt with legislation. I know that in two or three of the provinces the women's institutes have had a very beneficial influence on legislation related to the ownership of property by women, and their rights. I urge, therefore, that there be an increase in this grant, especially when we realize the shoddy society in which we live and the fact that many people fail to make any contribution of this solid type to the development of our country. Therefore, I believe the work of these women should be recognized by an increase in this grant in the years ahead.

Item agreed to.

115. Plant products division—agricultural lime assistance, $1,608,900.

Mr. Peters: I should like to ask one question on this item. It is a complicated question because it involves dominion-provincial responsibilities. Will the minister consider, or has he considered, the extension of the subsidy on lime used as fertilizer? There are many areas in which the cost of fertilizer varies according to transportation costs. It appears to me and to farm organizations as well that the fairly farsighted policy regarding agricultural lime, if applied to the use of fertilizer for agriculture, would bring a return to the farmers which in my opinion would probably be out of proportion to the cost the government would incur in making this subsidy. The farmers union of Ontario have asked for this on numerous occasions. The farm organizations themselves have asked for this. Their submission, which I think is a reasonable one, is that lime used in agriculture is only required for specific conditions. Farmers in one area need lime, while others do not. There are other supplements which could be added to the fertilizers on other farms which do not use lime but which would be as beneficial as lime.

I was wondering whether the department had considered the matter and were prepared to make some recommendations to the provinces at the next federal-provincial agricultural conference so as to ascertain what assistance the provincial governments would provide. I believe leadership has to come from the federal government, owing to our subventions, but I think the country would be interested to know the minister's thinking on whether this type of assistance can be extended. As I say, lime applies only to some farms, whereas nitrogen and other chemicals have a wider application and can serve a somewhat similar function on land on which lime would be unsuitable. Would the minister give us his intentions as to that?

Mr. Hays: I will be glad to bring it up at the next conference.

Item agreed to.

Board of grain commissioners—

130. Administration, $173,500.

Mr. Olson: Mr. Chairman, just one or two remarks on vote 130 which deals with the administration of the board of grain commissioners. I want to make an appeal to the minister. There was a recent change in the regulations regarding the definition of an elevator which would qualify for licensing. At the present time the act says:

"Elevator" means any premises into which western grain may be received, or out of which it may be discharged, directly from or into railway cars or vessels—

This definition precludes the giving of a licence by the board of grain commissioners to any off-track storage. At the present stage of railway abandonment I know that my asking for a change in the act is not very popular, because the present definition of the communities with elevators alongside "elevator" certainly strengthens the case for any railway track that it is proposed to abandon, and this provision in the act also strengthens the case for the elevator companies. While it is not very popular to take this position at the present time, I firmly believe that some of the railways in western Canada are going to be abandoned, whether this year or five years from now. I also believe there are a lot of elevators situated alongside railway tracks which could serve a very useful purpose to the neighbouring communities, even if the railway was abandoned. For example, at several places around Medicine Hat almost all the grain coming into the elevator is taken out again and hauled to the mills by trucks. So paying large subsidies to maintain some of these railways, simply on the pretext that they are necessary for the movement out of the elevators of grain, when in actual fact the railway is not even used for that, is to me just a nonsensical approach.

One of the first things necessary in my opinion is to make some small amendments to the Canada Grain Act so that these elevators could remain licensed by the board, even though the railway alongside had been abandoned.

I do not want to labour the point now, but I think it is necessary that the government recognize, and that the board of grain commissioners recognize, that some of these elevators could serve a very useful purpose even when the railway is not there. For one thing they could be gathering points for the farmers in the immediate area, who could bring in small amounts of grain and sell it. On the other hand, if the railway is abandoned —they would have to haul the grain to the mill themselves. When the elevator is full and the time comes for the grain to be shipped out, it is a well accepted practice now to send a fleet of trucks to empty the elevator. But as long as this provision remains in the act, then if the railway is taken away the elevator goes too.

[*Translation*]

Mr. Gregoire: Mr. Chairman, I only wish to say a few words about grain elevators. I am not an expert on agriculture and I make no secret of it. However, I think that the minister must realize that at the present time, eastern Canada needs some grain elevators

to reduce the cost of feed grain. This need has been felt for several years.

All I want to do this afternoon, is to ask the minister to act as soon as possible and to build grain elevators on the St. Lawrence shores, at the proper location, so that agriculture in the province of Quebec and in eastern Canada may take advantage of them. This is an important and urgent problem, and even if the minister is anxious to have his estimates passed promptly, I think that it is still more important to try to solve this problem, and as soon as possible. I am asking the Minister of Agriculture to do so.

[*Text*]

Item agreed to.

140. Canadian government elevators—Operation and maintenance including authority to purchase screenings, $1,529,000.

Mr. Howard: Mr. Chairman, just a brief comment on vote 140, which deals with Canadian government elevators. There is a terminal elevator in the city of Prince Rupert, built, I believe, in 1926 at a time when the late Mackenzie King was in that area and predicted that Prince Rupert would become the metropolis and shipping centre of the west coast. I may say we still have hopes that the vision which Mr. King had then will come to reality. However, it is a fact that the shipping distance between Prince Rupert and the Orient is quite a considerable amount shorter than it is from the port of Vancouver or New Westminster. The problem is that even though the route is shorter there is sometimes difficulty in getting alternate cargoes in and out of Prince Rupert to make it lucrative enough for shipping companies to quote reasonably competitive rates from the port of Prince Rupert. As I say, there is an elevator there, which has a storage capacity, in round figures, of one million bushels and a working capacity of 800,000 to 900,000 bushels. The elevator was designed in such a way that its facilities could be duplicated, and it has been waiting ever since for this duplication to take place. I have had correspondence about it with the minister.

I have had discussions with officials of the hon. gentleman's department and with officials of the Department of Trade and Commerce with regard to the expansion of elevator facilities in Prince Rupert, but so far there has been no definite commitment that these facilities will be expanded. The minister's predecessor in office gave an indication to the Prince Rupert chamber of commerce that the government did not intend to expand or duplicate elevator facilities in Prince Rupert. I can only hope that the present minister and the present government will take a more favourable attitude to this question, especially in view of the fact that they are taking all credit for the immense grain sales which have taken place this year and have stated that the port of Prince Rupert, as well as all other west coast ports, will be used to optimum capacity from now on until, at least, next year or next fall.

I only wish to take the time now to ask that serious consideration be given to the representations which have been made by myself, by citizens of Prince Rupert and, again, by the chamber of commerce of Prince Rupert, which has submitted a well documented proposal in this regard. We are vitally concerned that steps should be taken to recognize the fact that Prince Rupert exists and that it is the finest harbour on the Pacific coast of North America, notwithstanding what the people of Vancouver might think. Shipping distances are shorter—

Mr. Woolliams: How much shorter?

Mr. Howard: It is just not possible to find a more suitable location than Prince Rupert for the establishment of grain shipping facilities. I urge this upon the minister now, so that when the new session begins one of the first announcements he will be able to make is that elevator facilities at this port are to be increased. Perhaps the hon. gentleman could even make his announcement during the interval between the two sessions. I will not go so far as to ask him to make a comment on this subject now, because he has indicated that the question is being studied; but it is one of the items to which I hope he will give serious consideration.

Item agreed to.

Land rehabilitation, irrigation and water storage projects—Irrigation and water storage projects in the western provinces including the South Saskatchewan river project; the Prairie Farm Rehabilitation Act program; land protection, reclamation and development—

145. Administration, operation and maintenance, $8,229,200.

[*Translation*]

Mr. Pigeon: Mr. Chairman, this item reads as follows:

Irrigation and water storage projects in the western provinces including the South Saskatchewan river project; the Prairie Farm Rehabilitation Act program; land protection, reclamation and development—

I know that British Columbia is included in that program but I should like to know whether the government intends to extend the coverage to Quebec, Ontario and the maritime provinces, including Newfoundland, so that all the provinces may participate

to that program since, in my opinion, irrigation is important not only in certain provinces but everywhere in Canada.

Could the minister tell us whether he intends to broaden the policy in that respect?

[*Text*]

Perhaps the minister would answer yes, or no. Is it the intention of the minister to extend this policy?

Mr. Hays: We spent a good deal of time on this the other day. We thought the particular items mentioned should probably be included under ARDA, rather than being an extension of P.F.R.A.

Mr. Pigeon: Yes, but does the minister intend to change this policy now? I believe ARDA is outside this program.

Mr. Hays: We are giving consideration to the extension of this work under the ARDA program.

Mr. Herridge: There is an item included here amounting to $382,100 for forest nursery stations. Is this related to the ARDA program? What is the reason for this item being under the vote we are now considering.

Mr. Hays: I think that is under P.F.R.A. I understand it used to be under research. These trees are used for windbreaks, to prevent soil erosion, and so on.

Mr. Herridge: They are directly related to the activities of the department?

Mr. Hays: Yes.

Mr. Hamilton: Removal of this reforestation item from the estimates of the scientific services was done as part of the preliminaries to the establishment of the ARDA program. We had made an agreement with the provinces to enter upon an extensive program of tree planting, and there had to be an assurance that these trees were coming forward. I would not like this occasion to pass without that being very clear on the record.

Mr. Cadieu (Meadow Lake): I should like to say a few words on this item. For many years, in the three western prairie provinces, a policy of rehabilitation has been pursued under the Prairie Farm Rehabilitation Act and excellent results have been obtained, especially in the past two years, with respect to the development and fencing of community pastures.

I wonder whether the minister is planning to increase the extent of these pastures. A lot of the rough timber could be cleared and the land brought under cultivation, with the result that the land, instead of growing brush, would have the capacity to carry a great many more cattle. If more of this land could be seeded down its productivity could be greatly increased. With a fence around it, it should be producing good pasture instead of brushwood. This is why I am wondering whether the minister intends to extend these grants so that more acreage can be cleared in these northerly lands and put under cultivation. It would not be so necessary in the south, but we, in the more northerly areas, have already proven what can be done.

Mr. Hays: This is a continuing program of clearing and seeding, and we are hoping that it can be accelerated. If we are to increase our beef production, which we think we shall be able to do in the next ten years, this is certainly an area where this could be done economically. As I say, it is a continuing policy.

Mr. Peters: I should like to endorse the remarks made by the hon. member for Joliette-L'Assomption-Montcalm. There is a growing demand that eastern Canada should be shown some of the consideration which has been given to western Canada under P.F.R.A. and other agencies. It seems to me that removing this item and placing it under ARDA is nothing but eyewash. We, in the east, may get a few of these projects, but only at the wish of the province.

Farmers in eastern Canada need the benefit of some of these projects which have been developed in western Canada and which have proven to be successful there. I believe that in dealing with eastern agriculture the federal government should not divorce itself from some of the responsibilities it has assumed over the years with respect to the western provinces. I do not intend to press the point further at this time. But I think that the minister and the department should take warning that some of us representing eastern agriculture are not going to be quiet another year on this matter. We are not asking for the discontinuance or curtailment of anything in this regard in western Canada, but we are going to ask for equal treatment in each of these fields in eastern Canada. If the department wants to get along well with us they are going to have to make some concessions.

Personally I am not interested in the department saying these things are going to come under ARDA. If ARDA is interpreted properly by the department, they are going to have to face the fact that is a long term project to convert much agricultural production into other fields of endeavour. I think this is fairly fundamental. It is not a short term but rather a long term solution for agricultural problems. The provisions that are made under this item and following items should also be made applicable to eastern

Canada in the same way they have been applied in western Canada, and the ARDA program should not be restricted to eastern Canada because of certain fundamental changes in agricultural production such as mentioned by the previous speaker in relation to fodder, which have been accomplished under some of these grants.

I should like to have the minister's opinion on whether or not he is prepared to give consideration to the extension on equal terms to the eastern provinces, of some of these projects now under way in the western provinces, which projects are administered and supervised by the federal government and not in co-operation with the provincial government. I believe, as many others do, that there is a field in which co-operation is necessary, but there is also a field in which the federal government can give leadership and I suggest that the experience gained from these projects undertaken in western Canada should be applied to the undertaking of similar projects in eastern Canada. I think the minister should indicate now whether he intends to extend these projects into the eastern areas and whether or not this will be brought about by the time the minister presents his next estimates.

Mr. Hays: In reply to the hon. member may I say I discussed this problem for three hours yesterday with the ministers of agriculture from the various provinces. They are very interested, of course, in the ARDA program, and from the discussion we had I would say they are also interested in including the things the hon. member has been saying the things the hon. member has been speaking about in the ARDA program, because they think this is the proper place for them. This being the case, we have not given any thought to the extension of P.F.R.A. and these other measures into other areas.

Mr. Peters: Will it also be the intention of the minister to eliminate the P.F.R.A. organization and include this work as an extension of the ARDA program? I am concerned about the fact that certain projects are being carried on in one area that are not available to another area. If the minister, and the ministers of agriculture of the various provinces, have come to such a conclusion, I have no argument with them; but there is a demand for equality in both the ARDA program and the other special projects that are under the control of the federal government.

Mr. Hays: This is a policy that has not been resolved yet. If it is, it will be a government policy that will be announced later.

Mr. Pascoe: Mr. Chairman, this item deals with the South Saskatchewan river project and I have one brief comment. I understand the minister is leaving very soon to go to Regina to attend a conference on the future water requirements of the prairie provinces. I should like to emphasize the vital importance of the problem and to urge the minister to see that the interests of the prairie provinces are protected in any program of water diversion, even with regard to a possible future diversion of water into the Columbia river into the South Saskatchewan river. I hope the minister will assure us of his intention in this regard.

Mr. Howard: Mr. Chairman, I only want to take a moment or two to raise an objection to something the hon. member for Timiskaming said. I suggest to him that when he refers to western Canada he should say Alberta, Saskatchewan and Manitoba if that is what he means, because western Canada truly and properly is British Columbia.

Mr. Peters: On a point of clarification, Mr. Chairman, the hon. member really should not refer to me but to the department, because the department has referred to "irrigation and water storage projects in the western provinces including the South Saskatchewan river project". There may be some difference of opinion in the department as to what is western Canada and what is east. As far as I personally am concerned, anything west of Timiskaming is western Canada.

Mr. Pickersgill: Mr. Chairman, I wonder whether I could intervene for a moment not to suggest that the hon. gentlemen skin their own skunks but to see if it would be the wish of the committee, of which I have taken some soundings and I believe it might be, to go on for the next hour in committee in an endeavour to finish the esimates of the Department of Agriculture.

Some hon. Members: Agreed.

Mr. Hamilton: We are in accord.

[*Translation*]

Mr. Gregoire: Mr. Chairman, before complying with the request of the Secretary of State (Mr. Pickersgill), I should simply like to say this.

I read in the French version of yesterday's *Hansard* what the Secretary of State said yesterday afternoon about our motions for the production of papers. Upon close scrutiny, one realizes that the Secretary of State did not keep the promises he made last week and that he resorted to some tactics or tricks to prevent the house from expressing its views concerning the tabling of certain documents.

We are willing to forego the private member's hour, but I must point out before

that it was very wrong of the Secretary of State to disregard his undertaking in that connection.

[*Text*]

Mr. Pickersgill: Mr. Chairman, I do not want to enter into a debate with the hon. gentleman about the French translation of what I said. What I said I said in English, and without in any way reflecting upon the translators I think I can only be responsible for the words I uttered and not for words that someone else, however competent, put in my mouth. I certainly had no intention of deceiving the hon. gentleman in any way and if I did I am sorry.

[*Translation*]

Mr. Gregoire: It is not only in the French version because the same words appear in the English version. I am talking about the French version of the official report because I used that one, but the English version says the same thing.

The Secretary of State had promised us not to transfer those motions for debate but he had more or less allowed us to put them to a vote, which we have not yet been able to do.

[*Text*]

Mr. Howard: Mr. Chairman, for our part, and especially for the benefit of the absent former minister of trade and commerce, the hon. member for Winnipeg South Centre, we are quite pleased to co-operate with the Secretary of State. May I say that we also agree with the contention of the hon. member for Lapointe.

The Deputy Chairman: Order. I would think that generally any suspension of the rules should take place when the Speaker is in the chair but on this particular occasion—

Mr. Pickersgill: I do not think that is necessary.

The Deputy Chairman: —and due to the fact that all parties have agreed with the suggestion of the Secretary of State, is that suggestion accepted by all?

Some hon. Members: Agreed.

Mr. Knowles: Carry on.

Item agreed to.

165. Agricultural Rehabilitation and Development Act—administration, operation and maintenance, $157,000.

Mr. Herridge: Mr. Chairman, I simply want to say that this very important vote represents a most interesting development to large numbers of people in Canada. I am just going to suggest that in order that the purpose of this act is understood and so that the persons who are interested in it will know what is going on, some literature be published indicating the purpose of the act and giving information with respect to the agreements with the provinces, what is being undertaken and what is proposed for the future. That would be very useful to farmers' organizations.

Mr. Rapp: I would like to ask the minister, have there been many failures or defaults in the repayment of cash advances on grain?

Mr. Hays: I would not know exactly, but I understand they are very small.

Mr. Rapp: Then I would just like to point out that in 1957 when we advocated these free cash advances we were told that the Canadian wheat board would go broke if we gave them.

Mr. Peters: Would the minister indicate what arrangements there are between the provinces and the federal government for the announcing of ARDA projects? I feel there should be a joint release from both the agencies that are participating. The reason I am raising this is because I only learned of the first project in my area during an election campaign, and it took the form of a political announcement. I have been in politics a long time and I see some advantage for whoever is making such an announcement; but if this happens it leaves the door open for members of parliament and others to involve themselves in the preliminary discussions on various projects.

A much better way would be to have the co-operation of the two agencies of the federal and provincial government in making a joint announcement, rather than publishing it in some political journal.

Mr. Hays: I do not think it is being done that way in toto, but the hon. member's suggestion is worth looking into, and I may say I agree with it.

Item agreed to.

The Deputy Chairman: This completes and concludes the estimates of the Department of Agriculture.

Mr. Hays: Mr. Chairman, I would like to thank hon. members very much for their consideration of my department's estimates, and I appreciate their constructive criticism.

Mr. Pickersgill: Before the next department is entered for consideration perhaps hon. members would like to know the score. Seven departments have now been completed, there are still 15 to go.

DEPARTMENT OF FISHERIES

45. Canadian share of expenses of the international commissions detailed in the estimates, $1,162,000.

Mr. Robichaud: Mr. Chairman, when my estimates were previously considered by this committee on October 24 last I agreed to make a statement on the question of participation by the Soviet union in the conference on north Pacific fisheries. Opinion has been expressed in some quarters, especially by the leaders of the maritime fishermen and allied workers union that the Soviet union should be brought into the convention with Canada, Japan and the United States covering the fisheries of the north Pacific ocean. The hon. member for Skeena brought this subject up in the course of the debate on these estimates on October 24.

First of all it should be pointed out that the Canadian government would be glad to co-operate with the Soviet union in the management of sea fisheries. Canada and the Soviet union are now parties together with the United States and Japan to the interim convention on conservation of north Pacific fur seals. The Soviet union as well as Canada is also a party to the northwest Atlantic fisheries convention, along with 11 other countries. It is hoped that this co-operation in the development of sea fisheries can continue and be further extended.

However, in the fisheries of the north Pacific, in which Canada is interested, these being principally salmon, halibut and herring, a special situation exists, perhaps unique in the world, in that these fisheries have been developed either singly or in some instances jointly with the United States to the point of full utilization, based on scientific management at great national cost over a long period of time.

It was because of this unique situation that the north Pacific fisheries convention between Canada, Japan and the United States provided for the reservation of these fisheries to the nations which have developed them, and Japan agreed voluntarily to abstain from fishing for salmon, halibut and herring of North American origin in the high seas where normally there is freedom of fishing for all nations.

The Soviet union, whose fishing fleets and operations have been greatly expanded in the last decade has so far given no indication that it would recognize the special or unique situation of our fisheries. On the contrary the Soviet union has publicly proclaimed it is against the principle that any nation or group of nations can reserve for their own use the fisheries in the high seas.

At the 1958 Geneva conference on the law of the sea, Mr. Krylov, a delegate representing the Soviet union, made this statement in the third committee:

> The principle of abstention was at variance with the principle of equality of rights and the concept of freedom of fishing on the high seas. In the U.S.S.R.'s opinion no discrimination should be allowed against relative "newcomers" in fishing grounds already being exploited by other states.

This attitude of the Soviet government was further confirmed in an exchange of notes between Canada and the U.S.S.R. in 1961-62. On October 4, 1961 the Canadian government, being apprehensive of the effect on our highly conserved fisheries, of expanding Soviet fishing operations in the north Pacific, sent a note to the U.S.S.R. in which it pointed out the long and painstaking efforts of Canada and the United States in the preservation of the halibut of the north Pacific ocean and expressed the hope that the Soviet union would co-operate in avoiding any damage to this resource by its fishing operations.

In a reply dated February 12, 1962 the Soviet government said that it cannot agree with the attempt by Canada and the United States to question the right of other countries to fish halibut in the open seas and that the U.S.S.R. could not recognize the monopolistic rights of Canada and the United States in the area. The Soviet note added that the Soviet fishing organizations are not at present conducting large scale halibut fisheries in the northern part of the Pacific ocean; that operations are limited to the study of reserves, the habitat and the seasonal migration of halibut. The note ended by stating that should the Soviet government in the future begin commercial fishing in the area it would be ready to co-operate with the governments of Canada and the United States on a just and equal basis in the protection of halibut reserves and in the regulation of its catch.

So far there has been no indication of any change in this attitude of the Soviet government. Therefore, there would be little likelihood of getting the co-operation of the Soviet government in obtaining the protection of our salmon, halibut and herring resources to the extent now obtainable under the convention between Canada, Japan and the United States

Representations are from time to time made by the leaders of the united fishermen and allied workers union which also find their echoes here in parliament that the Soviet union exploits its salmon resources in the same way as Canada and the United States, that is, at the surf line, and the Soviet fishermen do not fish for salmon in the high seas. The same people argue that because of this the Soviet government would support the

Canadian and United States position: that for the proper management of salmon, high seas fishing should not be permitted. Those who argue that way overlook the fact that the Soviet union and Japan have a separate treaty on salmon fishing in the northwestern Pacific. Under this treaty the right of Japan to engage in salmon fishing in the high seas is recognized, and at the annual commission meetings a quota of Japanese catch of salmon is set for each year. In fact, far from restricting Japanese fishing in the high seas, Japan is restricted to fishing only in the high seas at considerable distances from the coasts of the Soviet union. Therefore the question of Soviet participation is one for consideration by Canada, Japan and the United States. Perhaps the attitude of the Soviet government may change in the future and it will be prepared to cooperate in recognizing the unique situation of our salmon, halibut and herring fisheries, and that these resources, being fully utilized, need special protection under the principle now incorporated in the north Pacific convention between Canada, Japan and the United States, or a similar principle. The situation may also arise where if the Soviet union should exploit stocks of fish which are of concern to us on an economically significant scale and to our disadvantage, we may have to conclude that the best solution would be to bring the U.S.S.R. into the agreement. In such case Canada will consult with Japan and the United States on the matter. At the present time, however, for the reasons I have given, the time is not opportune to initiate any further discussions on the subject.

This concludes the statement which I had in mind in connection with the participation of the U.S.S.R. in the north Pacific fisheries. In their note which was tabled the other day the U.S.S.R. make it very clear that it cannot recognize the monopolistic right of Canada and the United States to exploit the living resources of the open seas in the northeast part of the Pacific ocean.

Mr. Howard: Mr. Chairman, I think it is quite evident to everyone that if the minister had had the foresight and interest to make such a statement when his estimates were being considered earlier, perhaps they would have been passed at that time. It is this sort of full declaration of support for the action, or lack of action, of a government that is appreciated by the house and by the country. It has cleared up a number of misunderstandings. All this difficulty developed because of the hesitancy of the minister to fully disclose what was in his mind and in the mind of the government. There was threaded throughout his statement very slight, but none the less they were there, insinuations which could be interpreted by members of the house as being directed toward them. I do not want to take that interpretation in so far as I am concerned. I will say, however, that it is a good thing for the country that the individual fisherman and the groups of fishermen find a voice in the House of Commons, for there is no question that the fisheries association finds its spokesmen here in parliament, and I think to bring it into balance it is necessary that all sides of the case are put forward.

I was very interested to read the exchange of notes between Canada and the Soviet union regarding the halibut fishery which was, as the minister said, tabled, not at my request but upon an order of the house, really, even though I initiated the motion. I was likewise interested to see that at the time of that order of the house to table this particular correspondence, an admission was made that there was no such correspondence in existence with respect to either of the five species of salmon which intermingle in the mid-Pacific, or with respect to herring; but only with respect to halibut. I do not want to be accused—although I am sure many people would like to do this; perhaps may even do it regardless of my contention here—of being the spokesman on behalf of the government of the Soviet union or the government of any other nation; but I think, in order to have all the information on the record, we should read fully the note from the Soviet union with respect to the halibut fishery so we can see that not only did the Soviet union contend in that note, as the minister said, that it would not recognize the monopolistic right of Canada and the United States to exploit the living resources of the open seas in the northeast part of the Pacific ocean, but the Soviet union also makes reference to their attitude about conservation.

This is from sessional paper 269, which reads as follows:

> The following is a translation of the text of the Soviet ministry's note dated February 12, 1962 and numbered II/2E in reply to the note of October 4, 1961 from the Canadian ambassador in Moscow.

It reads as follows:

> The ministry of foreign affairs of the Union of Soviet Socialist Republics presents its compliments to the Canadian embassy and with reference to the embassy's note of October 4, 1961 concerning the halibut fishery in the northeast part of the Pacific ocean has the honour to declare the following:

Then it says:

> The Soviet government cannot agree with the attempt, contained in the note, to call in question the right of other countries to fish halibut in open seas of the northeast part of the Pacific ocean. The existence of a bilateral agreement between Canada and the United States of America concerning the regulation of halibut fishing in the northern part of the Pacific ocean and in the

Bering sea, to which the Canadian government refers, cannot be an obstacle preventing other countries from fishing halibut in the above mentioned region. It is known that, according to the generally accepted norms of international law, high seas are open to fishing by all states. The Union of Soviet Socialist Republics therefor cannot recognize the monopolistic right of Canada and the United States of America to exploit the living resources of the open seas in the northeast part of the Pacific ocean.

It is fairly clear that their contention is that the high seas are open to anybody subject, however, to any treaties which may exist. I cannot help but compare the attitude expressed in that paragraph which I have just read with the attitude the United Kingdom took to poor little, insignificant Iceland when it took steps to declare a 12-mile fishing zone, when they put warships and everything else out to protect what Great Britain contended was its right under international law. None the less, that is the attitude expressed in this note by the Soviet union. I think any country which has that attitude and carries it into full effect, without regard to the detrimental influence it may have on other countries, is committing something that is unconscionable. I think, in this regard, while the Soviet union in one sense may be correct in its reference to what it thinks are the accepted norms of international law, none the less the language is far too strong for my liking and carries with it the implication, "If you do not agree with this and if we desire so to fish there, other methods will be instituted to guarantee our right to fish the resources of the high seas". The note goes on to say this:

The government of the Union of Soviet Socialist Republics always proceeds from the need for international co-operation between states in the matter of the rational conduct of fisheries in order to maintain the productivity of commercial fish in the open seas at a constant level, while permitting the maximum permissible catch.

I do not think there is any disagreement with that statement. I think it is the kind of statement Canada would make, although I would have one reservation about the use of the word "constant" where the note says:

—in order to maintain the productivity of commercial fish in the open seas at a constant level—

I think the desire in all approaches to exploitation and conservation is not only to maintain the productivity but to see whether the productivity can be increased. Therefore with the exception of the use of the word "constant" and the desire to substitute therefor the attitude of increasing productivity, which is I think our goal, this is a statement with which I am sure the Canadian government agrees. I am sure the Minister of Fisheries has, in fact, made precisely the same sort of statement, perhaps not using those exact words. He nods his head in agreement, so I take it that is an agreeable statement and that the Canadian government shares the attitude referred to, namely that we should always proceed from the need for international co-operation between states in the matter of the rational conduct of fisheries, in order to maintain the productivity of commercial fish in the open seas at a constant level, while permitting the maximum permissible catch.

Then, I should like to read the last paragraph of the Soviet union note:

At the present time, Soviet fishing organizations are not conducting large scale halibut fisheries in the northern part of the Pacific ocean.

I think the same condition exists today, and they are not engaging in the halibut fisheries.

For the time being, these operations are limited to the study of the reserves, the habitat, and the seasonal migration of the halibut. If in the future the Soviet government decides to begin the commercial catching of the halibut in the above-mentioned region, it will be ready to co-operate on a just and equal base with the governments of Canada and the United States of America in the protection of halibut reserves and in the regulation of its catch.

While the note from the Soviet union starts off on a note of arrogance and disdain for what I consider the legitimate claims of Canada to protect that which we conserve in co-operation with the United States, it winds up in a declaration of co-operation. I think that note should be put on the record so that a clear picture is there for those who want to read it and who will appreciate the situation. I did not feel it would be necessary to read the original note from Ambassador Smith in Moscow to the Soviet union dated October 4, because, in essence, what it says is that "the Canadian government is concerned about your activities in the northeastern Pacific, and we would like you to consider our situation." However, I thought it was necessary to read the note from the Soviet union in its entirety and express my thoughts about it as we proceed.

The Soviet union is not now, so far as we know, as the minister said, engaging in salmon fishing on the high seas, at least not in that area of the mid-Pacific where the salmon from both sides would meet. I think they are engaging in the salmon fishery, but that would be closer to their own shores. I do not believe it really matters a great deal whether or not the Soviet union is in a treaty with us regarding herring, because our herring fishery is a relatively close offshore fishery. If the position of the Canadian government to the effect that we should have a 12-mile fishing limit is adopted and the boundary is drawn in such a manner as to include

Hecate strait, Queen Charlotte sound and Dixon entrance, then we do not have to concern ourselves too much about inroads that would be made into our herring stock, because they would be almost entirely within our own waters. We would then have to concern ourselves only with those that spawn off the Queen Charlotte islands, and those have been removed from the abstention principle so far as Japan is concerned.

It is our salmon fishery that is of interest and of concern. In regard to the salmon fishery, I should like to quote from a publication entitled "Western Fisheries", for November, 1963. This issue contains a report on the recent meeting of the north Pacific fisheries commission in the latter part of November, wherein the Bering sea halibut quota was reduced by a little more than 40 per cent. There are some interesting references here to this particular question. I should like to read a comment by a United States delegate, namely Mr. Clarence F. Pautzke, commissioner of the fish and wildlife service and head of the United States section. At the opening of the plenary session of the commission he said:

> The commission failed to take adequate steps at its last annual meeting for protection of the red salmon runs of North American origin which are exposed to the Japanese fishery west of 175 degrees west longitude.

Perhaps I am guessing now, but I think the reference to red salmon would be a reference to the sockeye species. I continue to quote from the article:

> "The Bristol Bay run (in 1963) was smaller than was expected," Pautzke said. "The information available to the U.S. indicates that the Japanese fishery took a large proportion of the run. The run which entered Bristol bay was so small as to cause a disaster in the industry in the United States.
>
> Had the commission taken timely action, the situation would have been better.
>
> This should not be permitted to happen again. The commission must do more than it has in the past if it is to maintain any semblance of responsibility," Pautzke warned.

That is the end of the quotation, but the article then goes on to say:

> This was the strongest formal statement to come out of the meeting and reflects the grave fears of the industry in Alaska that the salmon runs of Bristol bay may be facing extinction under the pressure of the Japanese ocean fishery, and the mounting concern for other fishery resources, especially king crab and halibut, which are coming under rapidly increasing exploitation by Soviet fleets.

This article says that the halibut and king crab fisheries are coming under rapidly increasing exploitation by the Soviet fleets. Already the United States people are concerned about the possible extinction of the salmon run in the Bristol bay area as a result of the expansion of Soviet fishing activities, and the king crab and halibut fisheries are also under pressure. I think that if such is the case it should cause us concern.

There is no question but that the pressure of the population has forced nations to look to the sea for a greater amount of their food, especially protein products. It is quite apparent that the north Pacific fisheries are already under pressure from the Japanese. This gentleman has been expressing his thoughts at the discussion which took place in respect of the attempt to renegotiate the north Pacific fisheries treaty when Japan brought pressure against the fishery stocks of the Pacific upon which we have spent thousands and thousands of dollars in attempting to conserve. The publication "Western Fisheries" makes a reference to the fact that the Soviet union is increasing its fishing activity and it refers specifically to the king crab and halibut fishery. There is no question but that the amount of pressure from the Soviet union will increase as the years go by. The pressure will increase more and more as far as those species of fish which are spawned in our land, and on which we spend countless thousands of dollars over the years in an attempt to conserve, are concerned. An attitude of complacency, an attitude of regret, an attitude of interpreting the remarks of the Soviet union to the effect that it is not interested in international co-operation or conservation on the high seas is not good enough. It is true that the Soviet union's note of February 12, 1962, as I said, was arrogant, disdainful and disgraceful in its first part, where it interpreted the norms of international law as meaning it could not care less about what Canada does in the matter of conservation.

The Soviet union's claim that the right to fish the high seas, while in essence and under international law perhaps correct, in actual fact is, as far as I am concerned, despicable. We know that the Soviet union are masters of speaking with two voices; of saying one thing one time and something else another time. Nevertheless the contention of the Soviet union in the latter part of its note is that it will be ready to co-operate. Let me read the words again:

> If in the future the Soviet government decides to begin the commercial catching of the halibut in the abovementioned region, it will be ready to co-operate on a just and equal base with the governments of Canada and the United States of America in the protection of halibut reserves and in the regulation of its catch.

Then in November 1963 "Western Fisheries" says that the king crab and halibut are coming under rapidly increasing exploitation by the Soviet fleets. If that is the case I think it is high time that we got down off our diplomatic horse and dealt man to man and face

to face with the Soviet union, and say to them point blank: "If you guys are going to fish on the high seas, fish which we spend thousand of dollars to conserve, then you had better get into a conservation treaty with us. We want you to come in with us". We should not wait until it is too late, until the size of the fleet of the Soviet union is such that not only will the salmon runs be subject to extinction, but all other runs as well. The time to move is now. I sincerely hope that the minister gets a little closer to the Secretary of State for External Affairs, fights for this action in the cabinet, and takes some steps to deal with the Soviet union in an open and direct way in an attempt to save our fisheries from extinction. That is the matter of prime concern to people on the west coast, particularly the fishermen, and it should be of prime concern to the people in the rest of Canada as well.

Mr. Barnett: Mr. Chairman, I have no desire to prolong this discussion unduly but I am sure the Minister of Fisheries would be the first to agree that what happens on the high seas in fishing matters is one of the most important matters which can be discussed in the fisheries field. I think the quotation referred to in this communication from the Soviet union, in particular the phrase which says that it is known that according to the generally accepted norms of international law the high seas are open to fishing by all states, is a contention which has been promulgated by many other nations as well as the Soviet union. It is important that we should recognize that that attitude arose at a time when it was assumed that the fish on the high seas were wild fish. I think there is a parallel in the hunting of wild game. If we go to the areas of our own plains in the days when the buffalo roamed, the buffalo were wild game and fair game for all comers. The time has come when Canada should be promulgating new doctrines of international law in respect to fishing on the high seas.

I think we should take a stand which has its parallel in the law of the range, where in effect certain cattle owners put their brand on their herds. I think we should be raising our voice to put the Canadian brand on some of the fish now roaming the open range of the high seas. The time has now come when there should be a new approach in the field of international law to this matter so that it is clearly recognized that the fish which in effect are reared within our borders, and which for the time being are out on the open range, under any proper understanding of international law are our fish. This is a revolutionary doctrine, I think it would be agreed. But I think it should also be agreed that our scientists are doing some rather revolutionary things in fisheries and in the field of fish rearing. This calls for a new approach to international law.

The fact that we have these votes in our estimates to support certain international commissions is an indication that we have taken some steps in this direction. But I suggest that at this particular stage we should, through the Minister of Fisheries and the Secretary of State for External Affairs, be sounding forth with a much clearer voice than we have been the promulgation of this new concept in respect of those to whom the resources of fish on the high seas belong. I think this is more important to the question of the survival of Pacific salmon fisheries than it is to any other fisheries matter at the present time.

I think it should be evident that the great concern that is felt by almost everyone I have met in the coastal areas of British Columbia who know anything about fish, and the changes made to the north Pacific fisheries treaty annex is basically due to a growing appreciation of the need for insisting that those fish which go from our shores into the high seas temporarily to feed are really Canadian fish.

As the minister knows, I have expressed concern about this matter in a motion which is still on the order paper, and which I doubt will receive very much further discussion during this session of parliament, in respect to the manner in which the government dealt with the amendments to that treaty. My concern about the manner in which they were dealt with is basically due to the fact that I feel it represents an attitude on the part of the government of Canada which fails to recognize how important a public question is the manner in which these treaties are amended. It is not good enough. At a time when we should be seeking to gain acceptance in the international field of a new concept relating to resources of fish on the high seas it is not good enough for us to agree to amend and change treaties in a way which gives the impression it is done under the carpet or under the table.

In closing I submit that this parliament and the people of Canada have still not been informed in any official way that I know of that the treaty has been changed. I can find nothing in *Votes and Proceedings* about it. I can find nothing in the Canada Gazette. As far as I know, nothing has appeared in any of the official channels through which the government of Canada gives notice that certain actions have been taken. I mention this matter on the discussion of these estimates because I feel it is symbolic of the government's failure to appreciate the importance of what it is doing with respect to these changes

which are being made in the north Pacific fisheries convention, in particular, and other conventions which, we hope, will be developed so that we may have a new concept and a new acceptance of international law on the high seas, a concept which will in many ways differ to such an extent from that initiated in this document sent by the Soviet union to our government as to be a complete reversal of the attitude which is here expressed.

[*Translation*]

Mr. Caouette: Mr. Chairman, just a word to call the minister's attention to the situation in which our Gaspe fishermen find themselves. On many occasions, I received complaints to the effect that those fishermen were faced with competition absolutely—

The Chairman: Order. I wonder how the hon. member for Villeneuve can find a connection between his remarks and item No. 45 now under consideration.

Mr. Caouette: Well, Mr. Chairman, I keep to the text of vote No. 45 which reads as follows:

Canadian share of expenses of the international commissions detailed in the estimates.

I feel that it is always possible to tell the minister that it is still important to take into account our Gaspe fishermen who sell their products not only on the domestic market but on the international market.

When I was in Jamaica, I happened to see on the shelves in food stores sardines from Gaspe, bearing the trademark "Galcier", and also from New Brunswick—

Mr. Robichaud: There have never been any sardines in Gaspe.

Mr. Caouette: Certainly. Those sardines came from Gaspe and the shores of New Brunswick.

I think that the products we are exporting are of higher quality than those we keep here, in Canada.

Therefore, I call the attention of the minister to the fact that, in the field of international trade, we must take into consideration our fishermen from the shores of Gaspe or New Brunswick, so that they are not subject to an appalling competition from big companies.

[*Text*]

Mr. Howard: The other day, in the latter part of November, following the meeting in Vancouver of the north Pacific fisheries commission, I asked the minister if he intended to make a statement or report to the house. He said his estimates would be up again shortly and that he would make a statement then. I see he has a document in his hands. Undoubtedly, it constitutes that statement.

I wonder if I might pose a question to him? He could then answer the question and deal with the statement at the same time.

My question arises out of some statistical information which was contained in a publication of the fisheries association of British Columbia called "Facts on Fish". Sometimes it is referred to as "Fishy Facts". I say this just to show to the minister and others that I do read different documents and publications on the subject of fisheries. In the edition of this publication dated October 15, 1963, the following paragraph appears:

During the 1948-58 decade, Canada's catch—

—that is, of fish—

—remained almost constant. The U.K.'s catch decreased by 16 per cent while the only other loss registered by a major fishing country was that of Norway which decreased by 6½ per cent. And, while the United States registered a moderate increase of 8 per cent in its fish production, Russia and Japan increased their catches by 77 per cent and 126 per cent respectively.

I call particular attention to the figures for Japan, the United States and Canada, because those three countries are participants in the north Pacific fisheries treaty, which is again up for renegotiation.

In the annual review for 1963 of the Fisheries Council of Canada, the following statistical information is given about the commercial salmon catch. I have here a table showing that in 1962 the total commercial salmon catch, all species combined, amounted to 839 million pounds—I will just give the round figures. By 1961 it amounted to 959 million pounds, or an increase of 120 million pounds of salmon caught in that period. Canada's catch in 1952 amounted to 150 million pounds and in 1961 it was 125 million pounds, or a decrease of 25 million pounds. In 1952, the United States had caught 352 million pounds, and the 1961 catch amounted to 314 million pounds or a decline of 38 million pounds. The Soviet union had a catch in 1952 of 256 million pounds which had declined in 1961 to 175 million pounds, a decline of 81 million pounds. The statistics for Japan are especially interesting and demands some sort of explanation. In 1952, the year before the north Pacific fisheries convention was signed, Japan's catch of salmon amounted to 80 million pounds. I think it will be worth while to add at this point that Japan has an almost insignificant amount of native salmon and does not contribute more than a pinch to the total salmon stocks of the Pacific. But her catch, in 1952, amounted to 80 million pounds. And in 1961 it had been increased to 344 million pounds, a total increase of 264 million pounds over that period.

Summarizing these statistics we find that Canada and the United States have seen their catches decline over the last ten years.

or so while Japan has shown a tremendous increase. I wonder whether the minister, as he reports on that meeting of the north Pacific fisheries commission held in Vancouver in the latter part of November, can also give an explanation for the figures to which I have referred.

Mr. Robichaud: It will be difficult for me to give an explanation of the figures which have been quoted by the hon. member for Skeena. The hon. member will realize, however, that such figures may not give a true picture of the situation because only two years have been selected, 1952 and 1961, and in order to give a true picture we should have the catch year by year. It is true that Japan has increased its activity in salmon fishing, especially in the last decade, and this could explain the increase in the catch of salmon by Japan by 264 million pounds. As the hon. member has mentioned, most of this fishing, in fact, probably all, is done on the high seas.

In so far as the advisory committee is concerned, I promised the hon. member when he asked me a question some time ago that I would give a report on my estimates. The advisory committee to the Canadian section of the international north Pacific fisheries commission held its second meeting at Vancouver, November 15, 1963, under the chairmanship of the deputy minister of fisheries, Dr. A. W. H. Needler. Members attending this meeting were Mr. Francis W. Millerd, fisheries association of British Columbia, Mr. Homer Stevens, united fishermen and allied workers union, Mr. Martin Eriksen, Prince Rupert fishermen's co-operative association and Mr. R. Stanton, Pacific trollers association. Messrs. J. M. Buchanan, J. C. Cameron and Carl Giske, Canadian members of the international north Pacific fisheries commission, the area director, W. R. Hourston, and Dr. W. M. Sprules, special assistant to the deputy minister, also attended.

There was a frank exchange of views regarding problems to be considered by the annual meeting of the international north Pacific fisheries commission, November 18 to 23, especially joint conservation measures on halibut in the Bering sea, measures to prevent trawling for other bottom fish from damaging halibut stocks in the gulf of Alaska, and the continued qualification of stocks of salmon, halibut and herring for abstention by Japan. Progress in the negotiations of a revised north Pacific fisheries treaty with Japan and the United States and the objectives to be sought in continuation of these negotiations were also discussed.

Item agreed to.

50. Newfoundland bait service, $1,771,000.

Mr. Robichaud: On vote 50, I agreed a while ago to give an explanation to the hon. member with respect to the subsidy situation. First I wish to inform the committee that this whole matter of subsidy on cold storage facilities is now being reviewed both by the Department of Agriculture and the Department of Fisheries. We have decided that the proper place to have a thorough discussion of this problem will be at the federal-provincial conference in Ottawa during the week of January 20 next. This matter will be discussed at that conference then I think we will be able to make a decision and establish a policy.

In the meantime I wish to advise the hon. member that an application has been received from the Grand Harbour co-operative, Grand Manan, for a subsidy and the application has been approved by the Department of Fisheries and the Department of Agriculture. A decision by treasury board is expected soon. It may have been made this afternoon. I have not had any report yet.

Another group has had some communications with my department about a subsidy but they have not decided whether they will make an application.

Mr. Howard: I should like to express my appreciation to the minister for disclosing that information to the committee. It would indicate that while there is a so-called freeze on subventions the freeze is quickly thawing, and at least one application has been decided upon favourably. I anticipate one other application coming to the attention of the minister very shortly.

Mr. Robichaud: Yes. In fact, I had a discussion about it this afternoon with the representatives of the group concerned. I would ask my colleague, the Solicitor General, to move:

That vote No. 50 be reduced by $70,000.

Mr. MacNaught: I so move.

Mr. Robichaud: The explanation is that it is part of an item for the construction of a bait service vessel for Newfoundland. The work has been delayed and we expect that at the 31st of March next there will be some work to be completed in the next fiscal year. Therefore this amount of $70,000 will not be required.

Amendment agreed to.

The Chairman: Shall the resolution as amended carry?

Mr. Peters: I should like to ask one question. What happens to the seasonal prevailing rate employees in the other months of the year when they are laid off? If these people

are receiving unemployment insurance it might be advantageous if other duties were found for them, so that they could be kept employed. It would appear that this operation is one that is repeated year after year, and these are not just casual employees who are hired each year for this service.

Mr. Robichaud: There are cases where some of the employees are retained throughout the year or for a longer period than others. We are making every effort possible to try to keep these employees as long as their services are needed. However, there are other cases where the service is not operating for a certain period of the year and, unfortunately or fortunately, these employees have to take advantage of unemployment insurance.

Mr. Peters: Benefits are paid on their behalf?

Mr. Robichaud: Yes.

Item as amended agreed to.

90. Construction or acquisition of buildings, works, land and equipment, $1,070,000.

Mr. Howard: Mr. Chairman, as this is the last vote in the department, in view of what I intend to say, I am sure you will allow me to be somewhat out of order. Before the minister concludes his estimates I should like to express in a formal and public way, even though it has been done before, our regrets at the unfortunate passing some months ago of the late George Clark, who was the deputy minister of fisheries for many years. He was a very competent and able person.

I should also like to express our congratulations to Dr. Needler on having been elevated to the position of deputy minister and to wish him and his confreres in the department well. I should also like to wish good luck to Dr. Kask, chairman of the fisheries research board, and to say generally that even though there are times, because the fishing industry is a very complicated existence, when fishermen may object strenuously and violently to the closures and other conservation measures that are imposed, and even though some may object when they are penalized for fishing at times and in places where they should not fish, nevertheless in the fishing industry of British Columbia there is general approbation of the officials and staff of the Department of Fisheries. For my own part I share that feeling as well.

Item agreed to.

The Chairman: This concludes the estimates of the Department of Fisheries.

Mr. Robichaud: Mr. Chairman, in concluding the estimates I wish to thank members of the committee for their co-operation in passing them.

[Mr. Peters.]

DEPARTMENT OF NATIONAL REVENUE

1. Customs and excise division—general administration, $5,270,500.

Some hon. Members: Six o'clock.

Mr. Knowles: Is it understood that at seven o'clock this is the item we will be on, national revenue?

The Chairman: That is my understanding.

Mr. MacNaught: That is correct.

Mr. Knowles: Thank you.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 7 p.m.

The Chairman: Shall this vote No. 1 carry?

Mr. Churchill: We hope the minister will make a very short statement.

Hon. J. R. Garland (Minister of National Revenue): I shall be delighted to oblige in the short aspect of it. The estimates before the committee are those covered by votes Nos. 1, 5, 10, and 15, and they provide for the financing of the 1963-64 operations of the customs and excise division of the Department of National Revenue. I should point out to the committee that these estimates are quite separate from the estimates of the taxation division of the Department of National Revenue and I would ask the committee's co-operation, as in past years, in keeping the discussions of them separate. It seems past experience has shown that more orderly and effective discussion is possible in this manner.

These customs and excise estimates total $40,571,400 and do not include some $2,341,000 supplementary moneys provided for the most recent revisions of salaries. Of course, as members of the committee know, salaries make up most of these estimates and in fact account for more than 93 per cent of the total.

A great deal can be said about the operations of this division which last year was responsible for collecting $2,397 million in customs and excise revenues. However, in view of the rather tight schedule of the committee I will limit myself to saying that in the short time I have been Minister of National Revenue I have been greatly impressed by the efficiency and forward-looking spirit which I feel characterizes the policies of the administration of the customs and excise division.

The record bears this out. It shows, for example, that last year, 1962-63, the total of revenue collections was close to $470 million more than was collected in 1958-59. The

record shows also that during this period almost every area of customs and excise operations experienced considerable development and growth. Yet, notwithstanding these additional demands on its resources and staff, the customs and excise division has during this period, through good management actually reduced its personnel establishment. At the commencement of the current fiscal year this division had 518 fewer employees than it had five years ago, which represents an annual savings of over $2 million. Such is the record of the administration of the customs and excise division, and I think that it speaks for itself.

I shall be pleased to do my best to answer any questions that hon. members may wish to raise, and I again would ask their co-operation in considering the customs and excise division separate from the taxation division. I wonder, Mr. Chairman, whether the committee would permit me to inject a personal note here. I would like to express my thanks —this is the first opportunity I have had to do so publicly—to my predecessor, the hon. member for Victoria-Carleton, for assisting in the smooth transition following the change of government and the take over of this department.

Some hon. Members: Hear, hear.

Mr. Garland: I would also express the hope that I might enjoy, in the passage of these estimates, at least some degree of the success that was enjoyed by another predecessor, the very able, well respected hon. member for Digby-Annapolis-Kings.

[*Translation*]

Mr. Caouette: I have a few words to say about certain administrative procedures in the income tax office of my riding—

The Chairman: May I remind the hon. member for Villeneuve that following the suggestion of the Minister of National Revenue, it would be advisable to consider at first the first items relating to the customs and excise division, that is items 1 to 20. After item 20, we shall be considering the estimates of the taxation division.

Mr. Caouette: I gladly agree with your suggestion, Mr. Chairman.

The Chairman: I thank the hon. member for Villeneuve for his co-operation.

Mr. Gregoire: Agreed.

[*Text*]

Item agreed to.

Taxation division—

20. General administration, $3,906,300.

[*Translation*]

Mr. Caouette: Mr. Chairman, I come now to some remarks I want to make about the income tax office located at Rouyn, in my riding of Villeneuve.

As in all the other income tax districts, naturally, methods are being used which I believe may not be known to the minister himself but which are certainly known to his officials. I am thinking here of those tyrants, those zealous men who seem to be envious of those who succeed and who take pleasure in torturing them with very little reason or no reason at all by making them believe that they will be severely punished by the income tax division if they do not conform to their rules. Hence, those officials misuse their authority and act with arrogance.

I had a personal knowledge of actions by certain inspectors of the income tax in the division of Rouyn-Noranda, which comprises the whole northwest region of the province of Quebec. Let me give you a name. One Mr. Bob Hardy, for instance, is an inspector who checks the bookkeeping and takes pleasure in fining small businessmen because they do not send to the department, at the required date, the amount collected from their employees as income tax. He even threatens to send them to prison if they do not send their cheques at once for the tax collected and this, on top of the fine which is imposed.

This Mr. Hardy is a big man and he seems to be all-powerful in his department. Therefore, I vigorously protest against the actions of those federal employees. If the officials of the division know about such things, a man such as Bob Hardy of the Rouyn division, should be made to toe the line and be called to order.

I also would like to call the minister's attention to the matter of charity receipts, about which the minister has probably heard.

The figures of charity receipts submitted to the minister have been cut down, particularly since the present government came to power. Last year, and the year before that, we met with much less difficulties; but this year, it seems that everybody is acting in collusion, to harass not the taxpayer who, is not bothered in his own home, but rather the parish priest who is being disturbed at his residence, and asked to check his books, in order to certify whether Mr. So-and-so has given $100, $200 or $50 to charity. Then, in a most arbitrary manner, the authorities cut down the total amount of the charity receipts which the Canadian taxpayer was able to deduct from his income tax return.

I know of several cases in my own county, where people had charity receipts for a total figure of $500 or $600, and where the income tax officer in Rouyn, on his own authority, and without consulting the taxpayers, brought down those figures by $400 or $500, and

stated that he had established that $200 and no more had been given to charity. How could this income tax officer know what went to charity, and was given by the taxpayer?

There is a way to remedy the situation and forget altogether about charity receipts. The minister could decree a general abatement of the income tax for charity, up to 10 per cent of the personal income. This would stop the harassment of Canadian citizens by income tax inspectors.

Mr. Chairman, I would like to point out another matter to the minister. When people send in their income tax returns a few days after the deadline, the department automatically fines them. Is that logical? I find it strange then that the department has never thought of paying some interest to taxpayers who are entitled to a refund. These people may wait for weeks, or even months, before getting their refunds, but they are not granted any interest, for the government does not pay fines. After all, these taxpayers are deprived of a part of their income for a given period of time, but woe to the taxpayer who does not send in his income tax at the date set by the department, for he will certainly be fined. I see the hon. member for Edmonton West (Mr. Lambert) shaking his head. If that does not happen in his riding, it does in mine and I am quite sure that it does happen in his riding.

Mr. Gregoire: It is because the member for Edmonton West never meets his electors.

Mr. Caouette: The hon. member for Lapointe is probably right on that point.

Mr. Chairman, those are the few remarks I wished to make. Something has to be changed in the administration of the Income Tax Act. For instance, employees of that department should show more courtesy when they meet the taxpayers.

Mr. Chairman, those inspectors are not our employers. They are government employees. They are at the service of the Canadian people and they must respect the human persons they have to deal with. Therefore, those civil servants should be a little more courteous towards the Canadian taxpayers.

[*Text*]

The Chairman: The hon. member for Athabasca.

Mr. Bigg: Mr. Chairman, I wish to make just a few brief remarks after complimenting the minister. It is very refreshing to have a minister begin his estimates by generously acknowledging his predecessors. This is one way in which I am certain he can expect, and will receive, the full co-operation of the house. Mr. Chairman, I would like to bring in a private bill, if necessary, to assist our school teachers across the country in the way of providing them with some exemptions from income tax. This is of course impossible under the rules, so I just bring to the attention of the minister and his officials this very important subject.

Most of our teachers all across Canada are anxious to upgrade their own academic standing and so be in a better position to train our young people in the very competitive world in which they find themselves. In order to do this, often at great sacrifice on their part they are obliged to re-enter university. Some of them have to go back to university and attend summer school for a period of eight or ten years in order to get the qualifications necessary to be able to teach our young people in this ever-increasingly technical world. I should like to suggest that every consideration be given to the granting of a tax exemption of a reasonable amount to school teachers to cover their tuition, books and perhaps their maintenance during the summer months when they are obliged to go back to university.

[*Translation*]

Mr. Paul: Mr. Chairman, only a few words to remind the Minister of National Revenue (Mr. Garland) of a request I addressed him during the fall concerning many taxpayers in the east of the province of Quebec who have to send their income tax returns to the Montreal office and who always eagerly wait for a refund of the tax they overpaid during the year.

I noted that after representations by the minister, the civil servants of the Montreal office did speed up the revision of files. But numerous family heads have been particularly anxious in the last couple of weeks to receive the tax refund they think they are entitled to and I hope that the minister, with his recognized and proverbial kindness, will ask once again the civil servants in his department to speed up the revision of files so that the taxpayers can get the tax refund due them at least before the end of the year.

Mr. Marcoux: Mr. Chairman, just a few brief comments.

I too wish to come back on this matter of receipts for charitable donations since, in the Quebec area and in my constituency especially, many complaints have been made on this subject.

If I am not mistaken about the provisions of the Income Tax Act, taxpayers may deduct, for charitable purposes, up to 10 per cent of their taxable income. This means then that a person who submits a receipt in proper form, signed by the religious authorities or

the organizations to which the donations were made, can deduct up to that amount from his taxable income.

Now, such receipts are often rejected, in whole or in part, by income tax officers. If the idea is to refuse to grant deductions for these charitable donations, the thing to do is to amend the legislation. But, at this time the act allows a tax deduction up to 10 per cent of the taxable income, for charitable donations.

Moreover, I believe that the investigators, under the act, do not have a legal right to reduce claims for charitable donations, putting forward various excuses for doing so.

What is even worse is that when somebody complains, the answer is that the case was studied, that inquiries were conducted and that it was finally established that the amount to be claimed for charitable purposes did not reach the amount appearing on the receipts.

Mr. Chairman, I am not able to prove the contrary, but I would really like those officials to actually prove that they conducted an inquiry, that they did get the exact figures, since, after all, those figures can come only from those who have submitted them.

Consequently, if the receipts indicate a certain amount, I cannot understand how the investigators can state it is otherwise, or that the amount claimed was not paid.

Mr. Chairman, we receive numerous complaints to that effect, particularly in the Quebec district. That is why I wanted to call the attention of the house on this state of affairs, which is becoming a sort of tragedy. Some other procedure should be found.

The hon. member for Villeneuve (Mr. Caouette) suggested a method a short while ago. I believe there are no doubt others. In fact, somebody has already suggested a reduction on the tax rate for the first taxable amount of $1,000, so that the taxpayers could, without receipt, benefit from abatements almost identical.

Mr. Chairman, another problem on which I wish to call the attention of the house is that of small industries manufacturing products which are called seasonal products. The industry itself is not seasonal, but the products are.

For instance, let us take the case of the manufacturers of gloves, mitts, boots and slippers. Those manufacturers accept orders during most of the year, but as soon as they have accepted the order, they must pay the federal sales tax, according to the regulations of the Department of National Revenue. However, that sales tax is not refunded to them until the bill is paid, that is not until a period of at least six months, or even more, has elapsed.

There are many such industries in my constituency, considerably several of which manufacture various leather articles. The directors of those industries are obliged to bear for six months at least, sometimes longer, the cost of the federal tax which they must pay at the time of the order and which is refunded to them only when the bill is paid.

Mr. Chairman, this procedure, I think, affects the development of those small industries which we claim we want to help but which are prevented from surviving by similar things like that.

Mr. Chairman, I sincerely believe that the Minister of National Revenue should be able to change the legislation in order to remove all the economic harassment the small industrialists are subjected to at this time.

I have already contacted the officials of the Department of National Revenue about this and I have been told that it was difficult to determine the marginal difference between small and large industries. I admit that, but it should be possible to set a criterion which could be based either on the number of employees or the number of working hours, it does not matter which. This is a problem which it is up to the officials to settle. As far as we are concerned, what we want is results. We do not want small businessmen to have to wait months for the refund of a sales tax they had to pay in taking an order.

Mr. Gregoire: Mr. Chairman, first I want to say that the Minister of National Revenue (Mr. Garland) is possibly the nicest and the most pleasant Canadian citizen I have had the pleasure to meet. And I say this not to flatter him but because I believe it. However, I must add that I doubt there is a more unpleasant department than the one he heads.

To be head of the Department of Citizenship and Immigration that is encouraging. To administer the Department of the Secretary of State, that is also encouraging. But to be Minister of National Revenue, to be the boss of those who empty our pockets, that, Mr. Chairman, is a very thankless job.

And I must say that the minister deserves all our sympathy.

I must also confess that when the Prime Minister (Mr. Pearson) chose the present Minister of National Revenue, he chose one of the nicest and most charming members to fill that most thankless job.

Having said that, Mr. Chairman, I must recognize that I have no reason to complain about the attitude of the revenue officials in my riding or my district because we have none. There is no district income tax office in

the Saguenay-Lake St. John area. There is none in such towns as Jonquiere, Alma, Roberval, etc. In fact, the nearest office is in Quebec city, which means that taxpayers of my region have to travel 135 miles if they wish to submit a claim of some sort to the income tax people.

Mr. Caouette: You are better off than we are, because we have one.

The hon. member for Villeneuve says that they are better favoured than we are because they have one. But I must admit that even though they are in Quebec, the inspectors are efficient enough to come and grab it. But when they want to protest, taxpayers find it far. I say that the people of Saguenay-Lake St. John are in an inferior position when it comes to appealing against the decisions of the Department of National Revenue, dispute its decisions, try to obtain information, let their opinions be known.

I recognize that the farther we are from taxation inspectors, the better it is; nevertheless, it is sometimes convenient to have them near us in order to let them know what we think.

Mr. Chairman, the only thing I should like to point out tonight is the question of charity receipts. It is well known and even striking—the minister must admit it today—that the legislation is ill conceived. Something should be changed in the act. As a rule, a 10 per cent deduction is granted to those who file charity receipts, but we ought to remember what Christ said: let not thy left hand know what your right hand does; in other words: make charitable donations but do not proclaim it on housetops.

Now, with the Minister of National Revenue, receipts are needed; everything must be in good order. Just try and make a charitable donation to an organization that is not recognized by the department or to an individual who needs it badly and is not recognized either; then it is not accepted. In my opinion, it is distorting the true meaning of Christian charity as it is usually understood. I see that the hon. member for Lotbiniere (Mr. Choquette) approves what I am saying now. All that means only one thing, Mr. Chairman; the act is defective and should be revised.

One good solution would be to do away with this business of receipts and give a general rebate of 10 per cent on the first $3,000, for instance, 7½ per cent on the next $2,000 and 5 per cent on incomes of more than $5,000. That is the first point. We must change this antiquated and immoral act which goes against all principles of true charity.

It should not be forgotten either that, under the present legislation, unjustified investigations and inquiries are being made in rectories and religious establishments.

The parish priest and his assistants are not employees of the Department of National Revenue; they are not there to represent them, but to help their parishioners and devote themselves to parochial tasks. Therefore, it is a practice that should disappear.

Those inspectors of national revenue are arrogant, Mr. Chairman, as the hon. member for Villeneuve has said. Not that they are so personally, but because of the legislation of which they are the servants, and because of the zeal which they display and the stale atmosphere which prevails in the Department of National Revenue. It would seem that everyone who works for national revenue feels an obligation to be arrogant and contemptuous to the highest possible degree. I say again that those inquiries in the presbyteries must cease.

In conclusion, I should like to ask something of the Minister of National Revenue. At the present time, a great number of constituents and taxpayers of our ridings have been writing to us along those lines: We submitted receipts of $500 or $600 for charitable donations and the department replied: Your receipt for charitable donations has been reduced to $250 or $300. We then write to the income tax office in Quebec city and always get similar letters from the same official by the name of Audette saying: After inquiry, it has been found that the individual had not donated more than such an amount.

I ask the Minister of National Revenue how can an inquiry be made when a person holds a receipt signed by the parish priest, if nobody bothers to go and see the taxpayer.

In my opinion, there is no inquiry at all or simply a superficial one that cannot be taken into account. I would therefore ask the Minister of National Revenue:

1. To amend the legislation.

2. As regards past cases, to instruct his inspectors to go and see the taxpayers who protest, so they can prove their good faith. In the case of those who do not protest, it means that they agree with the merits of the assessment made by the Department of National Revenue. Otherwise, it would not be an investigation but a farce.

Mr. Chairman, this is all the more important because the Income Tax Act is entirely different from all other Canadian acts. Under Quebec's civil code, a person is presumed innocent until proven guilty beyond a doubt. On the other hand, according to the Income Tax Act, a person is presumed guilty, and it is up to him to prove himself innocent beyond the shadow of a doubt. In such a case, the individual himself has to pay the costs, to hire a lawyer to prove his innocence.

Mr. Chairman, in the great majority of cases, rather than spend money to prove their

innocence, the taxpayers prefer to let the matter drop, which does not prevent them from saying: there is the kind of justice we have in Canada. And they keep on cursing the government, protesting against injustice, against the fact that they cannot assert their rights without having to spend a great deal of money.

Mr. Chairman, I maintain this is a serious matter in a democratic country where each and every one is entitled to justice and fair play. With the Income Tax Act, we do not have such a thing in Canada because the individual is first presumed guilty. Judgment is taken against him and he has to pay court expenses and lawyer's fees in order to prove his innocence.

This situation has to change, otherwise we shall see an increase in the number of Canadian citizens who will accept, without abdicating however, to be deprived from their rights because they are not prepared to spend money to have them recognized. The Income Tax Act which says that everyone is guilty unless proven innocent, must be changed.

That is what I wanted to say, Mr. Chairman. I made my remarks in good faith, I think they are pertinent and the Minister of National Revenue should inquire with his inspectors in order to find out the feeling and the climate in which they work, so as to remedy the situation and revise this legislation which is faulty in many cases.

[*Text*]

Mr. Nasserden: I wonder whether the minister would have the names of institutions, organizations, etc., listed as charitable for purposes of income tax assessment set out in *Hansard*?

Mr. Knowles: Order paper.

Mr. Garland: Do I understand that the discussion on item 1 is completed?

The Chairman: Order. If the minister intends to reply to the several speeches which have been made, perhaps we could recognize, before he does so, the hon. member for Burnaby-Richmond.

Mr. Prittie: Mr. Chairman, first of all I would like to support the view presented by the hon. member for Athabasca with regard to allowing deductions for expenses incurred by teachers who are taking courses, not only the cost of tuition itself but of the textbooks required. I believe last year I attempted to move an amendment to that effect which was ruled out of order. I think the department has probably received representations from the Canadian teachers federation and other interested bodies with regard to this matter. This is a question of investment in training and efficiency, and I should like to see some consideration given this matter.

There is another matter I should like to raise for consideration by the minister and his colleagues in the cabinet. This concerns a rather important policy question. We have heard from the Liberal party in the past some suggestions about campaign expenses incurred by political parties. I do not have with me the book "The Liberal Party" by J. W. Pickersgill—usually one can get from that a quotation on any important policy matter—and I do not know whether he deals with this subject, but I should like to suggest that the cabinet give consideration to allowing certain sums of money to be deductible—that is, with respect to contributions to political parties. I think the amount would have to be in the neighbourhood of $200 or $300. Citizens who help finance the campaigns of political parties are assisting the democratic process and I think this should be recognized to a certain extent. This matter has been mentioned in the house before, but nothing seems to happen in this connection. I believe that if a lot of people could be encouraged to make contributions to political parties in the same way as they are encouraged to make contributions to charity, some of the abuses which now occur in the field of political contributions could be avoided.

Mr. Peters: I am pleased that the minister comes from northern Ontario because I am sure he will be aware of many of the problems we have there. I wish to add my voice to those who have already discussed this question of donations, particularly to religious organizations. I have had several letters from clergymen in my area who are concerned about the issuing of receipts. I have one letter from a clergyman who is being asked to list cases where donations of $1 have been described as donations of $10 and so on. He says he is not getting this money, though he and his church would be very glad if he were. Yet pressure is being put on him as if he were an employee of the people who are asking for receipts. He is being asked to supply receipts for money which he has not collected.

This is a growing problem and we shall have to face it in the future, because many more people today are earning an income which encourages them to enter religious donations, whether actually made or merely contemplated, on their tax forms. The fact is that clergy are being asked to do something which is dishonest. I suggest that workers who make a straight contribution to income tax out of their pay, without much chance

of other deductions, are finding that this is an agreeable method of obtaining tax relief.

On the other hand, there are those who make donations to charity and ask for nothing but an honest receipt. Yet in some cases such receipts cannot be given because of the manner in which the donations are made. The donations which are put into collection plates on Sundays are difficult to account for. I am sure that if the inspectors in the department went into some of these churches and added up the receipts and related them to the collection on the plates it would be found that many people had arrived very early and that there would be no receipts for those who had arrived late. It may be, as the hon. member for Lapointe said, that it would be better to allow for the reduction of a flat sum in the case of everyone who wished to make a contribution to a religious organization. It is not a revolutionary idea because this is now being done in the case of union dues. Lodge or union dues can be deducted up to a fixed amount. I believe it would be fairer to those who now have to issue these receipts if deductions were made possible in this manner.

I am not one of those who believe that inspectors should not go round to check the information given on the tax forms. I think they should. I do not believe anyone should get a receipt for money that is not given, and I believe this has happened on many occasions. But I agree it is difficult for anyone to say with accuracy how much a parishioner has donated in a particular year unless the donation is made in a lump sum, and I imagine that this is something which seldom happens.

A point has been raised in connection with teachers' salaries and I agree that special provision should be made for those in the teaching profession who are engaged in training. It is obvious, of course, that the salary paid to different groups of teachers will vary widely and some difficulties are bound to arise as a result. I imagine that in some cases two groups of teachers could be found in the same institution whose incomes and tax responsibilities would vary widely.

Again, in conclusion, I urge the minister to look carefully into this question of tax receipts for donations. This problem is growing because of the change in our economy which has arisen with the development of the industrial age. People are earning a living in a different way. Those engaged in farm work were often in the habit of writing up a good many expenditures as farm expenses. Industrial workers have found it difficult to obtain similar advantages and this has led them, in many cases, to apply for receipts in respect of religious donations which may never have been given. The longer we leave this question in abeyance, the more difficult it is likely to become.

[*Translation*]

Mr. Lambert: Mr. Chairman, I would like here to say a few words about charitable receipts. The matter has been raised already by the hon. member for Villeneuve (Mr. Caouette) as well as the hon. member for Lapointe (Mr. Gregoire). However, I do not share their views in that respect.

Mr. Caouette: We are not surprised.

Mr. Lambert: It is just that I feel there is a way to control charitable receipts with regard to income tax.

I can tell you that it is accepted where I come from; we have Catholic and Protestant parishes as in all the other ridings in the rest of Canada and we do not have any difficulty simply because we use envelopes.

When a parishioner makes a donation to his parish through this system of envelopes, or any other donation, the receipt he receives for the amount given in the envelope is the only amount he can claim as a deduction.

Mr. Caouette: This is not the business of the government.

Mr. Lambert: The exemption for charitable donations is an exemption under the Income Tax Act. We are already granted an exemption of $100 without receipt. If you examine the situation in general, you will notice that less than 35 per cent of parishioners who pay taxes, require a receipt. First, there are the children and the persons who have no job; then there are those whose income is not high enough to be taxable.

So the only persons who ask for receipts are those who have a taxable income, that is a third of a parish, this is no phenomenon. So why not use a system of contributions through envelopes?

That system has been used for years in dioceses in the west, and is used more and more in dioceses near the east. And I can tell you, following my experience at the Department of National Revenue, which dates back three years ago, that that system has been set up in some dioceses of the province of Quebec, and it works.

Then if a parish priest is in a position where he is subject to pressures, all he has to do is to set up a system of envelopes, whether it is in a diocese of Quebec, Ontario, the maritimes or the western provinces.

Those people are not different one from another; then why would they protest against a system of envelopes? I do not think that there is—

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

Mr. Lambert: Certainly.

Mr. Belanger: Does the hon. member know that it happens sometimes that a donation is made and that the parish priest is not aware of it? For example, when a $1 candle is lighted every Sunday this represents a sum of $52, the parish priest is not aware that money is deposited in the box.

Mr. Lambert: If you make a donation for the missions, you are entitled to ask for a receipt. Now as far as vigil lights and other—

Mr. Belanger: If during the Sunday collection—

Mr. Lambert: Well, if you forget your envelope, it is up to you—

Mr. Belanger: —I give a dollar, I do not have any receipt.

Mr. Lambert: It is your fault if you forgot your envelope. The method has been in use for years and people are satisfied. So I wonder why all this difficulty? Honestly, I do not see any problem in connection with those charity receipts. Let people acknowledge receipt or ask for a receipt to cover actual charitable donations and there will be no trouble.

Now, other questions have been brought up.

[*Text*]

I should like to raise now certain points I have raised from time to time in the past with regard to the administration of the department. The first one has to do with the allowance for the use of an automobile for business reasons, whether by lawyers, automobile salesmen, travelling salesmen, farmers or anyone else. There is a varying scale of allowance and I think there is discrimination in this regard.

I know that a sort of rough and ready rule or yardstick is applied. But I am wondering to what extent the matter has been reviewed recently because I think great difficulty arises in the case of the individual taxpayer or the tax accountant, shall we say, who is preparing the tax return of say a farmer for example. If my memory serves me correctly, a farmer may be allowed 75 per cent of his automobile expenses when the automobile is used for farm purposes. An automobile salesman may be allowed 50 per cent, a lawyer down to 20 per cent or a doctor up to 80 per cent. I hope the minister can set me right in this regard, but I think this is an area that merits some study to see if a fairer yardstick cannot be devised for application to all sorts of persons who use their automobiles. Automobiles are no longer in the category of a luxury or something used merely for pleasure. Today they are a necessity. In the case of a lawyer transportation to his office is just as important as for a doctor who is going to his office. Time is of the essence to these people and to business and professional men generally, and I think the matter should be considered in that light.

Mr. Knowles: May I ask the hon. member a question? Would the same argument not apply to workers going to a factory?

Mr. Lambert: If a doctor uses his automobile to go to a hospital or a lawyer uses his automobile to go to a police court—

Mr. Knowles: But the hon. member referred to a lawyer going to his place of work. I have many C.P.R. workers in my constituency who go to the Weston shops in Winnipeg by car. That is their place of work. Should this rule not apply to them also?

Mr. Lambert: I will accept the hon. member's question and say that I think this is part and parcel of the problem. It may be that the allowances now given certain classes of people should be cut down. I am not saying others should be brought up, but some may be cut down if we are going to have a rather more general rule. There are other subjects I could discuss, but in the interests of expediting the business I will leave them for some future occasion.

[*Translation*]

Mr. Frenette: Mr. Chairman, at the risk of raising applause I will say that I shall be brief. I do not intend to pick a quarrel with the hon. member who has just resumed his seat concerning the control of receipts for charitable donations. The Christmas season will soon be upon us and we are all anxious to get this session over.

That system may be of some use in certain areas but it is difficult to put into effect in some parts of the province of Quebec.

I am sure that no matter how shrewd my parish priest may be, he cannot say exactly how much is given to the various charities.

My reason for participating in this debate on the estimates of the Department of National Revenue was not to take sides on the issuance of receipts for charitable donations nor to settle the question.

I merely wish to draw the attention of the minister on a point which has been especially dear to me for many years. It has to do with the customs and excise tax on U.S. imported goods used by farmers.

I know that most articles in that category are exempt from this 22½ per cent tax. However, there is one product which I would like to see exempt, that is what is commonly

called control panels for electrical fences, an item which is used nearly exclusively by farmers and which is still subject to this tax of 22½ per cent.

I have already written to the minister several times in an attempt to obtain an exemption of the 22½ per cent tax for checking devices on electrical fences that can only be used by farmers, of course, for agricultural purposes.

I cannot understand why the officials of that department persist in subjecting those goods to this 22½ per cent tax.

I am well aware that the minister needs revenue in order to meet the requests submitted to him. On the other hand, I also feel that our farmers, especially those in eastern Canada, are not in such good circumstances that every opportunity should be taken by the administration to make them pay the highest charges possible.

In conclusion, I ask the minister to be good enough to look especially into this item, because I know that many farmers are affected by the 22½ per cent excise tax and are anxious to be exempted from it.

Mr. Latulippe: Mr. Chairman, I would like to say a few words in connection with corporation taxes as compared with personal income tax.

It is a well-known fact that taxpayers pay 22½ per cent as income tax. The percentage is worked out for each $100. For example, the taxpayer who has a net income of $1,000, pays 14½ per cent of income tax covering the difference between $1,000 and $2,000 and this percentage increases up to 80 per cent.

On the other hand, companies pay 22½ per cent on the first $100 of income up to $35,000.

I think that there is a serious discrimination here against taxpayers as compared with companies. That is why I ask the minister to examine carefully that situation so that justice may be done in this regard, especially when one considers that individuals pay more taxes than corporations do.

Besides, corporations are entitled to reinvest capital while individual persons are denied that right.

Furthermore, Mr. Chairman, I should like to say a word on behalf of the worker. We all know that, to earn their living, workers need the tools of their trade. For instance, bushworkers need many mechanical tools that cost a great deal of money. But the cost of those tools, unfortunately, is not deductible for income tax purpose and, as a result, the workers have to pay for those tools themselves. What is more they even have to have cars to carry them to their work, so they can earn a living. Neither their car nor their tools are exempt from income tax.

[Mr. Frenette.]

Consequently, I think the minister should give this matter serious consideration in order to treat the workers a bit more fairly.

I would like also to talk about the carpenters. They also need many tools in their line of work. I can also mention the plumbers who find themselves in the same situation. The cost of the tools used by these skilled workers cannot be deducted either for income tax purposes.

I submit that the Minister of National Revenue should consider all those cases and I ask him to study carefully the situation of those poor workers, those poor people who work hard to earn a living and do not benefit from any exemption for the cost of the tools they need to earn a living.

That is all I had to say, Mr. Chairman.

[*Text*]

Item agreed to.

The Chairman: That completes the estimates of the Department of National Revenue.

Mr. Garland: I wonder if I might be permitted just a word to express my appreciation of the co-operation shown and for the many suggestions made, of which a careful note will be taken.

DEPARTMENT OF LABOUR

Mr. Churchill: Where is the minister?

Mr. Pickersgill: He will be here in a moment or two, and meanwhile the parliamentary secretary will carry on in his place.

20. Industrial relations activities including the administration of the Industrial Relations and Disputes Investigation Act, the Canada Fair Employment Practices Act, the Female Employees Equal Pay Act, the Fair Wages and Hours of Labour Act, the Annual Vacations Act, and regulations, and the promotion of labour-management co-operation, $625,600.

Mr. Knowles: While the minister is coming in I would like to say a brief word on this vote. I see that he is now in his place. As hon. members are aware, we debated the estimates of the Department of Labour for a full three and a half hours on the night of November 8, and I think on both sides of the house we would agree we had a very good discussion of those estimates. Accordingly we do not feel that extensive discussion of the remaining items of this department is necessary tonight.

I would like to make two or three observations related to the aspect covered by vote 20, as well as other matters that come under the purview of the department. We particularly welcome the minister's assurance, given on November 8, that there is a real possibility of two things being done at the next session of the house: First, the introduction of a

national labour code covering the various things which we agreed on that night as properly belonging to a national labour code and, second, that there would be legislation amending, or revising, or reconstituting the Unemployment Insurance Act.

We were glad to hear these announcements or promises confirmed at the recent meeting between the government and representatives of the Canadian Labour Congress.

I suppose what I am doing tonight, by thanking the minister for these promises is, in effect, pinning him down to them; we are reminding him that when the next session comes we will expect both these items to be mentioned in the speech from the throne; and we hope most of that speech from the throne will be implemented during the course of that session. We were sorry that the minister did not find it possible, either in the house when we were dealing with his estimates or when he was before the Canadian Labour Congress on the recent occasion when that body met the government, to give the assurance that there would be an overhaul of the Industrial Relations and Disputes Investigation Act between now and the next session. However, he did indicate both to us and to the Canadian Labour Congress—and I believe he did so to other labour bodies that appeared before him—that as soon as possible there would be a study in depth of the Industrial Relations and Disputes Investigation Act. We hope it will not be too long before we get action in that field.

As I say, we did have a pretty good discussion of the department on the previous occasion, and although there may be a few items with regard to which some hon. members may wish to raise points, we do not feel it is necessary to prolong the discussion on the estimates of this department.

I may say, Mr. Chairman, that this place, as always, abounds with rumours. Sometimes one ignores them; sometimes one wants to ignore them; sometimes they come true. One of the rumours that circulates around this place relates to the Minister of Labour. All I want to say with respect to that rumour is that if we have to have a Liberal government in power, we would like to have the present minister presiding over the Department of Labour.

Some hon. Members: Hear, hear.

Mr. Starr: Mr. Chairman, I believe I can ask this question on this particular item, because it might apply to any item. I wonder if the minister could tell us whether treasury board has now lifted the freeze on the whole department, or only on a certain portion of it, as far as new employees are concerned.

Mr. MacEachen: Mr. Chairman, with respect to the unemployment insurance commission and the national selective service, I think we have lifted any restrictions on that particular part of the operation; and we have lifted the freeze, if that is the correct term, on part but not all of the remaining departmental operations.

Item agreed to.

25. Civilian rehabilitation branch administration including payments to carry out the purposes of the Vocational Rehabilitation of Disabled Persons Act and agreements made thereunder, including undischarged commitments under previous agreements and the promotion of a program for the employment of the older worker, $529,000.

Mr. Starr: Mr. Chairman, I think the minister advised us, when introducing his estimates, that nine provinces had signed vocational rehabilitation of disabled persons agreements. I wonder whether he could tell us which province has not signed.

Mr. MacEachen: The province of Quebec has not signed, Mr. Chairman. I understand that province is well advanced in its consideration with regard to signing.

Mr. Starr: Does the minister expect that province to sign?

Mr. MacEachen: It is my expectation and hope that the province will sign.

Item agreed to.

Special Services—

30. Special services branch including the promotion of a program for combatting seasonal unemployment, the organization and use of workers for farming and related industries and assistance to the provinces under agreements entered into with the provinces by the Minister of Labour with the approval of the governor in council, $525,700.

Mr. Starr: Mr. Chairman, I think this would be a good time for the minister to give us an accounting as to what is happening in the older worker program. I think when I asked him in the house yesterday or the day before he promised to do this.

Mr. MacEachen: Mr. Chairman, I did indicate to the hon. member for Ontario that I would tell him the extent to which this program was utilized in the month of November. For that month there have been, up to the present, 325—that is the correct figure—employer applications for this program. I must say that, while I appreciate the extent of the response, I would like to see it more acceptable and more widely used. For that reason, in response to views that have been expressed in the house by members of the official opposition and the New Democratic party, and in response to my own consideration, we have decided to extend the period of hiring for an additional two months, so that instead of the

hiring period finishing at the end of January it will finish at the end of March. This additional period will be open for hiring.

We have also made further changes. We have relaxed the provision of the previous regulations that eligible older workers would have to exhaust their unemployment insurance benefits before qualifying under the program. We hope these two changes, together with one or two others that are not as substantial in character, will accelerate the acceptance of this program. We are trying to utilize the services of the national employment offices in the way of making direct contact with employers who may be encouraged to take advantage of this program. It is an experimental program, and we hope that by observing the developments that take place and by observing the response to the program, we will have contributed significantly to solving the problem of the older worker and will possibly gain some information about how to handle this problem in the future.

Mr. Starr: In this item, Mr. Chairman, the amount is shown as $525,700. There is a proposed reduction of $5,000 in this item, is there not?

Mr. MacEachen: Yes, Mr. Chairman. Provision for the older worker program is contained in the supplementary estimates and the sum provided in this particular supplementary, for the older worker program—

Mr. Starr: I was referring to the amount now shown in the item. It is $525,700 for expenditures for 1963-64. I think when the minister spoke in the house previously he said there would be a reduction of $5,000, to $520,700.

Mr. MacEachen: Yes, Mr. Chairman, it is true that I did say on November 8, when introducing the estimates, that the amount shown under vote 30, which is the vote to which my hon. friend is referring, would be reduced by $5,000. At this point, Mr. Chairman, I should like my colleague the Minister of Transport to move that this reduction be made. It shows my attitude of economy.

The Chairman: Mr. McIlraith moves that vote No. 30 of the estimates of the Department of Labour be reduced by $5,000. Is it the pleasure of the committee to adopt the said motion?

Amendment agreed to.

Item as amended agreed to.

Technical and vocational training assistance—

40. To carry out the purposes of the Technical and Vocational Training Assistance Act and agreements made thereunder—payments to the provinces, $109,484,000.

[Mr. MacEachen.]

Mr. Starr: On this vote, Mr. Chairman, I would like to ask the minister whether he could give us some idea as to how the plans for training in the agricultural area are coming along. We did have a conference here in Ottawa last year, I think it was, with the provinces in respect to this matter, and then the provinces were going to carry on this program. I wonder whether there is any report as to what progress is being made in this field.

Mr. MacEachen: I would like to tell my hon. friend that the foundation that was laid by the conference to which he has referred has been carried on by further consultations with various provinces, especially the province of Saskatchewan. We are carrying out consultation in regard to the ARDA program and there is a special provision for additional personnel, I think, in one of the other divisions to carry out this further consultation in connection with the ARDA program and the agricultural field.

[*Translation*]

Mr. Caouette: Mr. Chairman, I have only one question for the minister in connection with this item 40 which concerns the expenses relating to the implementation of the Technical and Vocational Training Asssistance Act and of the agreements under it.

Do the agreements passed this year between Ottawa and Quebec give more to the latter, in comparison with previous years when Quebec was given an inferior treatment compared to Canada as a whole, so far as this question of technical training or of technical and vocational training assistance is concerned?

[*Text*]

Mr. MacEachen: I think it is a fact that in previous years the province of Quebec did not participate as fully as the other provinces in the benefits of this program. I do not believe there was any disability within the program itself that brought about this condition, but it was a fact that the financial benefits accruing to Quebec were not as great. The house has already this session approved amendments to this particular act to provide for a further extension of the time so that, especially in the field of capital construction, the province of Quebec will be able to participate as fully as the highest province, up to the end of the last fiscal year. There will be, therefore, many additional millions of dollars available to Quebec and, in a theoretical way, if all the provinces participated to the maximum Quebec would be in full parity with all the provinces of Canada.

Mr. Peters: Mr. Chairman, in discussing this item in previous years I have been surprised at the lack of graduates from the many training projects that we have undertaken on behalf of the unemployed. The retraining programs have produced quite a sizeable number of graduates, but the percentage of graduates compared with the number who enter the course has not been large. Is there any improvement in this field?

I should like to ask how extensive the program is at present for training supervisory staffs. Under the technical school program that has been undertaken in Ontario during the past two years, there has been an excessively large number of technical classrooms and a shortage of technical teachers for those institutions. I was wondering how successful the technical teacher training program has been, and what the potential is in the next two or three years for training teachers for technical schools?

Mr. Ricard: Mr. Chairman, before the minister answers the previous speaker, I want to take this opportunity to thank him for putting the record straight with regard to the law that was introduced by his predecessor. I am glad to hear from the minister that there was nothing wrong with the act passed by the previous Conservative government, but that it was the fault of the Liberal government of the province of Quebec, if that province did not get as much as they should have. The fault did not lie with the previous minister of labour or the Conservatives, but the fault lies with the Liberal ministers of the province of Quebec.

Mr. MacEachen: Mr. Chairman, my information is that since the program began 3,000 teachers have been trained for technical purposes. I understand that in 1962-63 alone, 600 teachers were trained in Ontario for technical purposes, and this province has an extensive program in this field. I understand that during 1963 alone, 267 teachers were trained. This is not the end, because the province is going ahead actively with further training programs.

Mr. Peters: Does the minister have a percentage of those who graduated from these courses? I am interested in those who were trained under the unemployment insurance scheme in co-operation with the provincial departments.

Mr. MacEachen: I am told we do not have figures available at the moment, but I will make an effort to get them for my hon. friend and provide them as quickly as possible.

Mr. Peters: I am not really concerned with the numbers. I had some experience with this program because a friend of mine was training. He said that the number who dropped out was very large. This would seem to indicate that we were having difficulty in completing this program and turning out a large number of people. All I am really asking is, whether the minister is satisfied with the progress we are making? I agree it is a difficult field. We are taking adults from one occupation and trying to train them in another field. There are many hazards in connection with such a program. Is there overall satisfaction with the results we are getting from this retraining program?

Mr. MacEachen: I am sorry I cannot provide exact figures, but I think I can meet my friend's interest by telling him that approximately 30 per cent of those who enter these courses are drop-outs. Presumably, therefore, approximately 70 per cent graduate with full benefits from the course. It would be desirable if we had 100 per cent, but it seems in this field this is a considerable accomplishment.

Mr. Langlois: May I ask a supplementary question? The minister said that 70 per cent graduated from this course that we have had established for quite a few years. Can he furnish figures indicating to what extent the persons who graduated were successful in finding permanent employment?

Mr. MacEachen: Well, there is a variation in this particular area. My information is that approximately 80 per cent of those who graduate get work at once of a permanent character in their chosen field of training.

[*Translation*]

Mr. Côté (Longueuil): I should just like to express my views on the remarks made by the hon. member for St. Hyacinthe-Bagot (Mr. Ricard) with respect to the Technical and Vocational Training Assistance Act.

The hon. gentleman seems to blame the present government of the province of Quebec when, in fact, that legislation was enacted under the previous administration which deserves our praise in that connection.

The group which was in power in Quebec under the leadership of Mr. Duplessis, in 1957, did not want to participate to the program because they felt—and rightly probably —that education was a provincial responsibility. However, when the present administration took over in Quebec, in 1960, it was already too late for the province to obtain all the grants it could have had if it had prepared for them. When a request was submitted for the extension of the legislation to enable Quebec to get all the grants it had coming, the then minister of labour replied that the program could be extended for

another six months only. Obviously few technical schools could be built in six months and it is only since the present federal Minister of Labour introduced new legislation that Quebec can get just as much as the other provinces.

[*Text*]

Mr. Starr: Mr. Chairman, I think the record should be clear on this matter.

[*Translation*]

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

When I asked the Minister of Labour (Mr. MacEachen) a question, it was not to allow the members for St. Hyacinthe-Bagot and Longueuil to play politics. I merely wished to inquire about the federal government's intentions concerning the province of Quebec.

The Chairman: There is no question of privilege.

[*Text*]

Mr. Starr: Mr. Chairman, I think it is important to keep the record straight. I have listened to the exchange which has taken place regarding this matter and I must point out that the act did not pass parliament until December 1960. Six months later all of the provinces signed the agreement with the federal government with respect to this program, with the exception of the province of Quebec, which took another six months to sign their contract. The money was there; there was no ceiling. Every province had the same opportunity to participate as much as they wanted, with the approval of the federal government.

[*Translation*]

Mr. Ricard: I wish to take this opportunity to repeat in French what I said a while ago in English.

I am grateful to the Minister of Labour for having paid tribute to his predecessor by admitting that the legislation passed under the previous administration was written so as to give satisfaction to everyone.

I regret and have always regretted that the province of Quebec due to the fact that its government is friendly with the hon. member for Longueuil (Mr. Cote) has not deemed necessary to take advantage of the legislation passed by the former Conservative government to promote the progress of youth.

I regret with my hon. friend for Longueuil that before the downfall, the province of Quebec did not obtain more grants, but we are both helpless in this connection.

Nevertheless, the hon. member for Ontario (Mr. Starr), when he was Minister of Labour, tried to do something so that the young people in the province could improve their lot. However, the province of Quebec, under a Liberal government, did not find appropriate to avail itself of the act which, as mentioned a minute ago by the present Minister of Labour (Mr. MacEachen), is a sound and equitable act, the purpose of which was to give equal opportunity to all the young people in the country.

If the hon. member for Longueuil (Mr. Cote) is in mourning at this time, let him join his Liberal friends in the province of Quebec and let them weep together. It is not our fault, the Conservative's fault, because we want to give to the young people in the province of Quebec as much chance as to the young people of western Canada.

Mr. Gregoire: Mr. Chairman, following the remarks by the member for Longueuil and the member for St. Hyacinthe-Bagot, it would be appropriate to clear the record.

It must be noted that education falls under provincial jurisdiction. It must be noted also that the federal government with direct taxation, invaded a field which is not his. It is by invading sources of revenue to which it had no right that the federal government permitted itself subsequently to enter sources of expenditures also outside its field of jurisdiction.

If the province of Quebec has taken advantage of this act after the other provinces, it is not its fault, it is due to the fact that the principle involved in this field is fundamentally wrong, since the federal government went to look for money where it had no right to look and went into expenses which it was not its business to make.

I believe that this clarification was necessary.

Mr. Belanger: Mr. Chairman, I should like to ask the Minister of Labour whether he is aware of the fact that at the present time, the unemployment insurance commission is asking unemployed citizens in the province of Quebec to take vocational training courses and when those citizens refuse, they lose their unemployment insurance benefits.

Does the Minister of Labour think that is a democratic policy that should be maintained?

[*Text*]

Mr. MacEachen: Mr. Chairman, I question very much whether this practice takes place. If my hon. friend has instances of a claimant being disqualified for refusing to undertake a training course I would be glad to investigate the matter. I regret that the chief commissioner is not with me tonight but I will be glad to investigate that particular issue.

Mr. Langlois: Mr. Chairman, I think I should bring to the attention of the minister the situation which exists under the winter

works program in certain municipalities. In one municipality in my constituency some of those who applied for unemployment insurance were asked to work on winter works projects and were laid off unemployment insurance. That is one way of taking money out of one pocket and putting it into another, into winter works projects. Some people who were receiving $36 a week unemployment insurance went to work under the winter works program for $8 a day for three days, carrying branches of trees along the roadside or digging ditches. Yet they were able to receive $36 by staying at home. This amounts to a transfer of funds from one place to another, and people had to work in this way for half the money.

Mr. Diefenbaker: I should like to ask a number of questions in connection with the vocational training scheme of the minister. Certainly it was a plan brought into being by the government of which I had the honour to be the head, and has been tremendously successful, as shown by the statistics given by the minister. However, he delivered a speech the other day in the city of Toronto to the commercial travellers. He was substituting for the Prime Minister on that occasion. He pointed out what a wonderful system this was; that there was assistance for vocational training schools, and he mentioned the plans the present government had. As I listened to a recital of his speech over the radio—it was on T.V. as well—the minister, unintentionally I know, left the impression with his hearers that this indeed had been a plan which was the brainchild of the present government, and had been a tremendously successful undertaking. I mentioned that this, of course, was not done intentionally in any way. It is just one of those coincidences which give evidence of carelessness in the use of language, which is not commonly shown by the minister. In ordinary circumstances, if any of us had been present at the time of this meeting, I am sure that this carelessness in language would not have taken place. And so that the record may be completely correct and up-to-date, I wonder if the minister will tell the committee the total amount which was expended up to April 21, 1963, either by contract or undertaking—the number of new schools contracted to be built under this plan, the number of schools in which renovations were to be carried out, and so on. I should like the minister, too, to bring the committee up to date with regard to what has happened since April 21, 1963—the number of schools which have been contracted for since the present government took over and, in general, to give us a bird's eye view of the situation, so that there may be no mistake in this connection.

Mr. MacEachen: I certainly regret it, if I gave a false impression to the Leader of the Opposition.

Mr. Diefenbaker: No, it was to the meeting. Had I been there, the misconception would have been corrected.

Mr. MacEachen: I spoke in the presence of the former member for Eglinton and I thought he listened with approval to what I said. I took care to mention the time period in giving the statistics of student placements and total capital expenditure. I thought I used a date which brought the program well within the period of the right hon. gentleman's jurisdiction. I certainly would not for a moment attempt to take away any of the credit which the hon. member for Ontario deserves for the development of this program. Indeed, I have taken pains, speaking in Ontario and elsewhere, to refer to the work of the hon. member for Ontario.

I will give as many statistics as I can. First, the capital expenditure program, projects approved from April 1, 1961, to March 31, 1963. The total estimated cost of this program was $507,570,169, of which $323,424,821 was the estimated federal contribution. I have the estimated federal contribution for each of the provinces, as well. I will give them in round figures: Newfoundland, $21 million; Prince Edward Island, $2 million; Nova Scotia, $7 million; New Brunswick, $4 million; Quebec, $23 million; Ontario, $200 million; Manitoba, $4.9 million; Saskatchewan, $8.2 million; Alberta, $36.9 million; British Columbia, $13.5 million; Yukon, $682,000 and Northwest Territories, $64,000.

Mr. Diefenbaker: Would that be the total amount or the federal contribution?

Mr. MacEachen: These figures represent the total estimated federal contribution on approved projects up to March 31, 1963. It is noteworthy that in this period the estimated federal contribution to Quebec was $23 million, though to Ontario it was $200 million. As I stated, this disparity does not arise from any disability within the opportunities offered to each and every province under the program. It was because of this outcome—

Mr. Churchill: By that, you mean it is not the fault of the former Conservative government. Is that what those words mean?

Mr. MacEachen: The hon. gentleman would not expect me to go that far.

Mr. Churchill: You are sitting where the minister of external affairs sits, and you have adopted his habit of circumlocution.

Mr. MacEachen: I have similar figures in respect of capital projects approved up to November 30, 1963 and these, when compared with the figures I have already given, will indicate what has happened since this government took office. The total for Canada is $531,479,925. The federal share is $337,663,741. That, I think, indicates the extent of the program up to the end of March of this year, and the additional projects approved in the period up to the end of November. I think the tables I have are complete but I believe the figures I have already given are sufficient to make the comparison clear and I will not detain the committee further.

Mr. Diefenbaker: I thank the minister for the amplitude of his answer. It indicates that since the present government came to office they have actually expended 5 per cent of the amount the previous government made available.

[*Translation*]

Mr. Frenette: Mr. Chairman, reference was made a while ago to vocational or professional training. I am glad to inform the house that, in several cases, those training courses were very efficient. As far as I am concerned, I want to thank and congratulate the persons responsible for setting up that program because, in my riding, several men and women have been able to take advantage thereof.

But I wonder if it would not be possible to improve the employment facilities for the people who followed those training courses. In fact, I know several workers who, after making tremendous sacrifices to follow that training program and reach a certain level of specialization in some skill, have remained unemployed or, very often, had to be satisfied with working as labourers or taking any job they could find.

A while ago, during the discussion of the national revenue estimates, several hon. members agreed that they had to face many income tax problems.

And now, I think we could say that hon. members also have to face many problems in their relations with employees of unemployment insurance or employment offices in the country.

I realize it is very difficult for managers and employees of unemployment insurance offices to satisfy every unemployed who goes to see them. Mr. Chairman, I hope I will be allowed to say this: I wanted to experience that myself, and, one day, I went incognito to one of our unemployment insurance offices, because my constituents had told me that some officials treated unemployed people in an offhand manner. As I say, I went myself to that particular office, and I saw, with dismay, that the grievances I had heard were justified. Some of the officials, particularly among the lower ranks, were extremely rude to the unemployed who came to that office.

I feel that the various officials of the Department of Labour, and more particularly officers of the unemployment insurance commission, should act as advisers to people who come to see them, instead of being, first and foremost bureaucrats, who maliciously seek to annoy and embarrass those with whom they are dealing.

The Chairman: Order. I must interrupt the hon. member for Portneuf. I wonder if his remarks could not be brought to bear on vote No. L-27A relating to the unemployment insurance commission.

Mr. Frenette: Mr. Chairman, I am sorry I rushed ahead. It is perhaps because I am a bit too anxious for Christmas to be here, so that we may get some rest. However, I shall resume my remarks when the occasion arises.

[*Text*]

Mr. Ricard: Mr. Chairman, from the music we are hearing tonight there is no doubt we are hearing Christmas, and to hear the minister sing the praises of the former minister is certainly reassuring. I was glad to have the minister put on record that he did not want to take any credit away from his predecessor with regard to the technical training measure. It was certainly reassuring to hear him say that he wanted to pay a special tribute to the hon. member for Ontario for all he has done to prepare our young people to be better equipped for the future. I again thank him for putting this on the record and I wholeheartedly agree with him.

Item agreed to.

45. Administration of the Government Employees Compensation Act, $114,000.

Mr. Peters: Mr. Chairman—

The Chairman: Order. Is the hon. member rising on vote No. 45?

Mr. Peters: Yes. Several problems have come to my attention in relation to the federal compensation act. I know the minister has been very busy with labour matters that he is not normally called on to deal with, but I am sure he has given consideration to some of the problems that will face us with the new areas that are to fall under the jurisdiction of the federal government. The establishment of two new territories in northern Canada will add to these problems and I believe the time has arrived for the

federal government to provide some leadership in establishing for those areas a model compensation set-up that will be a guide for them when they achieve the status of provinces.

I receive letters about many compensation cases in Ontario and some from Quebec and I was very surprised when I received one a few weeks ago from a workman in Frobisher, who had been home for some time with a broken leg, to find that he was receiving no compensation. I was particularly surprised because in this case the matter of compensation was being handled not by the federal government but by a trust company in Montreal. It seems to me we are going backward a long way when we have trust companies dealing with compensation matters.

We are aware of the difficulties that have arisen in the Northwest Territories in relation to employees there and the fact that in public works contracts it is specified that the Department of Labour will only deal with those cases arising out of works that have been declared to be in the public interest and for the public good. It is surprising, but there are officials in the Department of Labour who will say that a vote of this house providing for a particular project in the Northwest Territories does not qualify that project to be considered to be in the interests of Canada. I would presume that gentleman must be a Conservative now, with a Liberal government, and had been a Liberal previously, with the Conservative government, because he seems to be very perverse in this regard. He is not alone. The Department of Justice and many other departments were involved in this particular case and none of them could come to the conclusion that I thought should be reached. But this does raise the point that there is a great deal of difficulty in establishing jurisdiction in that area.

While this other case was in another labour field the fact that this man had an accident and that it was a compensation case confirms that the whole field needs some examination. I know this is not a large item and that in the whole of Canada employees, including public service employees, are very cautious and safety conscious. An item of less than $3 million a year is not a significant one. However, I would think the minister might like to institute a pilot compensation set-up under federal jurisdiction in order to provide legislation that would assist provinces who might wish to look to Ottawa to bring their own compensation boards up to date.

I believe that in the past it has been necessary to use provincial compensation boards, hospitals and other facilities, but now that we are establishing new areas under federal jurisdiction I think a federal compensation board would serve a purpose not met by any other agency. Therefore I think the minister should consider establishing a model compensation board under federal jurisdiction. The fact that as far as the territories are concerned it would not be in existence too long is no reason to restrict it, but an added incentive to make it as good as possible, so that when provincial compensation boards are established they can take advantage of the farsightedness of the federal government.

I am not expecting the minister to suggest that he is prepared to set up this type of compensation board, but I submit he should give some consideration to it. When the bills to set up the two new territories in northern Canada, the Eskimo one and the other, are brought forward it is my intention to try to have compensation boards established if the federal government has not moved in that field before these territories are established. I suggest that the minister should consider the matter, and if this can be done I am sure the people in these areas will certainly appreciate it.

Item agreed to.

50. Administration of the Unemployment Insurance Act, $45,412,500.

Mr. Starr: On a previous occasion the minister said that some 362 new positions were being added to the national employment service. Have these been approved by treasury board, and when does he anticipate they will be filled—in a year, a year and a half, or two years?

Mr. MacEachen: The additional personnel have been approved by treasury board. We are actively recruiting now through the civil service commission, and we want to fill the positions just as quickly as the commission gets the people for us.

Mr. Starr: I had the experience when we tried to fill 175 positions in the area of placement officers that it took something well over two years before they were all filled. Are these positions in respect of placement officers?

Mr. MacEachen: There is a considerable number of employment officers in the establishment and there is provision for special service officers, if that is the term, who would take a more active part in manpower development, training and retraining programs of the employed and unemployed, and who would assist generally in the promotion locally of manpower programs. My hon. friend will appreciate this is a pretty important activity, and that is why we would

like to get the recruitment done as quickly as possible. It may be that it will take us longer than we expect and that we will have the difficulty experienced by my hon. friend when he was minister.

Mr. Starr: How many of these positions are placement officer positions?

Mr. MacEachen: The large share of these 362 are employment or placement officers, and maybe 100 for other categories.

Mr. Starr: About 100 out of 362?

Mr. MacEachen: Roughly 250 placement officers or employment officers.

Mr. Starr: What is the present state of the unemployment insurance fund, when does the minister expect it will be depleted, and is he making any provision for a loan?

Mr. MacEachen: At the end of November the amount in the fund was roughly $56 million. We have already made provision for the usual loans, so that we expect we are fully covered for the present fiscal year. It may be we will have a deficit but we are in a position to deal with it.

[*Translation*]

Mr. Frenette: Mr. Chairman, in view of the fact that the house has a rather heavy program and that everyone is anxious to be on holidays, I shall not repeat what I said a while ago. But, even if I wander a bit from the item before us, I do wish to tell the minister how much I would appreciate it if the job opportunities advertised by the various employment offices were given more elaborate publicity.

Employment offices receive from the Department of Labour, through the usual channels of distribution, notices of job vacancies and they try to bring those opportunities to the attention of workers in the area.

I am wondering whether employment offices are giving enough publicity to such notices so that the unemployed may be made aware of them.

On that matter, I should like to give the example of an office which makes known its employment offers as they should be made known. It is the office of Three Rivers which, I believe, could be held up as a model for all other offices in the province as regards the publicity it gives to the employment offers and the means by which it makes things easier for the unemployed who call at that employment office.

I should like to see all other offices in the province follow the example of the Three Rivers office in order that the unemployed be well informed about the different job opportunities.

[Mr. MacEachen.]

Mr. Choquette: Mr. Chairman, I would like to say just one thing about item No. 50 to the minister responsible for the administration of the Unemployment Insurance Act. Section 21 of the act, general principle, says:

> That any employment is insurable, except those exempted under the terms of the act.

Consequently, a little further in the act, there is a long list giving all exempted employment, including agricultural employment.

The act does not say anything more about agricultural employment. In my opinion, that is dealing a bit harshly, even unjustly, with people who would like to do agricultural work. Therefore, I submit that the act should be amended to enable agricultural employment to become insurable because farmers have a hard time finding farm hands.

Many cases have been submitted to me by farmers in my riding, to the effect that they encountered great difficulties in securing farm help because they were not covered by the Unemployment Insurance Act. I therefore consider that this exemption of farm employees mentioned in the list appended to section 21 of the Unemployment Insurance Act should be amended so as to provide for the coverage of those farm hands by the act.

That is the only remark I wanted to make.

[*Text*]

Mr. Peters: That would be a good question for the minister to answer, because many of us want to know whether the government intends to place farm labourers under the Unemployment Insurance Act. I would like to ask him, is he aware of the problem in many parts where the inspectors coming into areas to do spot checks classify certain areas as remote areas for employment.

It seems to me that if a man is employed for a period of time in a locality and is obtaining a livelihood there, it is not fair for an inspector to come and say, "This is a remote area and you will not be eligible for unemployment insurance. You are now in a category that will not allow you to draw unemployment insurance." I would sympathize with the minister if an I.B.M. operator went into a lumber area where there was no sizeable plant, and certainly no equipment. That person would be placing himself or herself in a remote area for employment purposes.

This matter has been a real problem in my part of the country; and I do not think there is any difference in an area where employment is obtained for seven or eight months of the year, and is difficult to find the other four months from, for example, those in the fishing industry who cannot go fishing in the off season, and sometimes cannot fish because of weather conditions. I am sure

this is not the general policy of the unemployment insurance office, but the outside inspectors do go into an area with the avowed purpose of knocking off 20 per cent of the unemployment insurance benefactors. I have taken some of these cases through the various steps and have in several cases gone as far as the board of referees. The matter cannot be argued satisfactorily because when it is decided that this is a remote area, the only thing that can be said against it is that it is not a remote area. Going before the board of referees cannot establish any conclusion in these cases. I would like to know whether the minister is considering this matter of remote areas and what changes he proposes to make to correct the abuses—and there are certainly abuses in some areas—in the use of the term "remote area".

Mr. Rapp: Mr. Chairman, I would be remiss in my duty if I did not bring to the attention of the Minister of Labour a subject with which he is very familiar. I refer to the matter of unemployment insurance for farm labourers. I had a bill on the order paper for a number of years, but the reason given to me for nothing having been done in the past was that the Gill committee report, when it was handed down, would make some recommendations and would contain clarification on this point. As I pointed out to the minister not very long ago, the Gill committee report is actually in favour of unemployment insurance payments being made to all unemployed people, if administrative difficulties can be overcome. At that time the minister agreed with my proposition, and said that as soon as the Gill committee report was handed down, this problem would be given serious consideration. I would like again to direct the attention of the minister to this problem, Mr. Chairman, because in my opinion and in the opinion of many people, this is a serious problem, and this is the only section of our labour force that is not covered by unemployment insurance.

Some hon. Members: Hear, hear.

[*Translation*]

Mr. Boulanger: Mr. Chairman, there is a brief remark I have to make. There is also a class of employees who are not covered by unemployment insurance. I refer to the seasonal provincial employees—at least in the case of the province of Quebec.

I would ask the minister to kindly consider the possibility of covering those seasonal employees who, forced to remain unemployed a few months, receive no income during the winter months.

[*Text*]

Mr. Barnett: Mr. Chairman, I was expecting the minister to answer the question raised by the hon. member for Timiskaming. I wanted to ask the minister a question about another aspect of the matter of unemployment insurance.

Mr. MacEachen: Mr. Chairman, as I understand the point made by my hon. friend from Timiskaming, the suggestion was that inspectors would go into a particular area and disqualify workers because they were in a remote area. It seems to me this is a practice we would want to investigate, if in fact it is occurring on any scale, or even at all; because surely if a claimant has created entitlement to benefit, and is in receipt of benefit, other things being equal he ought not to be disqualified because of his residence in a particular area, remote or not. It may be that a worker who has qualified for benefit will move from one area to another and because of that movement has restricted availability of employment, which might render him eligible for disqualification because it brings in the question of test for availability of work. But I would be glad to hear of any cases or further details, and I will have the matter examined.

Perhaps while I am on my feet, Mr. Chairman, I ought to say a word about the question of farm labour raised by two hon. members. Farm labour is not an insurable occupation at the present time. The Gill committee recommends the exclusion of farm labourers because of administrative difficulties. We expect to be considering the recommendations of the Gill committee next session when they are put into a bill, and hon. members will have a full opportunity of discussing these questions in relation to general coverage, which is another matter raised by the Gill committee.

With respect to the point raised by my hon. friend in connection with seasonal provincial workers, the commission is currently in discussion with the province of Quebec with respect to coverage for provincial employees.

Mr. Peters: Just for clarification, Mr. Chairman, I should like to raise this point. There is no disagreement with the minister in the case of a person moving into an area where unemployment is not available in his type of work. However, if he makes his living in that area, he is now being disqualified for two reasons which are very much the same. One is the question of remote area, which is usually coupled with transportation. Perhaps the minister is not familiar with how this is done. A man comes into the area and goes to the unemployment insurance inspector. He answers a number of questions which form,

in effect, an affidavit. He will be asked, "Do you have a car? Does your friend have a car? Is there a public conveyance that can take you to such-and-such a place?" Then the inspector will ask, "Isn't it true that transportation facilities here are very limited?" and the man will say, "Yes, that is true". In terms of a series of questions you can elicit almost any kind of answer. This is being done and it establishes transportation difficulties to an employment centre. This question will not be reconsidered even if the claimant moves into the town, where employment might be more readily available. The man may never have worked in that town in his type of job. By going there he may really, as the minister mentioned, be putting himeslf in an area remote from the type of employment he is capable of doing.

These inspectors have done this. I suggest they have done it for the simple reason of eliminating a number of people. It is not widespread, but I believe it has been done in a number of cases. A year ago it was being done to quite an extent. If one takes such a case to the board, it usually results in a number of C.U.B.'s being cited which those appearing before the board have no opportunity of seeing. I have appeared on a number of occasions where women were involved, and usually the C.U.B.'s that were cited referred to pregnant women, and some of the problems they had. In the cases I have had, this has never been a factor. I suggest to the minister that this practice is widespread—I can only speak for my area—and there should be a redefinition in this regard. To be fair, Mr. Chairman, I must say that on the occasions we have brought these cases to the attention of the director of unemployment insurance there has been an investigation, and a satisfactory one. I have been receiving a number of letters recently from unorganized areas in which this is again a factor. I presume this is at the direction of some of the local offices.

Mr. Bigg: I should like to make a short submission on this item. My district of Athabasca contains the air base at Cold Lake. This is a very poor place for employment generally, and sometimes service personnel, artisans in the lower income brackets, find it awkward when they are moved to this air base from bases which are adjacent to large cities. They are accompanied by their wives who have to give up their jobs to go there. I realize that they do so voluntarily, but they are accompanying their husbands and find themselves involved as a result in severe hardship. They run into this difficulty referred to by the hon. member for Timiskaming. I do not know what the solution is, but I would appreciate it very much if the minister's officials could look into this problem. I have received several letters in this regard, and I would be pleased to make my files available if necessary.

Mr. Nasserden: Mr. Chairman, I should like to say a word about this matter of unemployment insurance for farm labour. There are certain classes of farm labour to which quite a bit of security is attached. It would seem to me the department should try to move into that general area and provide coverage for these people. It is a fact that today people who have a job which entitles them to stamps will not take a job on the farm because they would be denied stamps if they did so. Surely, there is some rule that could be brought into play that would take care of this particular situation. I only mention it to the minister now so that if he has some recommendations to introduce at the next session, he can take this problem into consideration.

[*Translation*]

Mr. Perron: Mr. Chairman, since we are dealing with unemployment insurance, I think it is appropriate to remind the Minister of Labour (Mr. MacEachen) of the conditions of the Canadian loggers who go to work in the states of Maine and Vermont.

Following a motion for the production of papers, in September last, I received certain letters with regard to a possible agreement between the state of Maine and the Canadian government. In fact, in the last letter on record, the social security representative from the state of Maine implied that in the near future, that is early in September, an agreement might be reached between the Canadian government and the state of Maine.

We are now in December. On many occasions, we have asked questions to the minister on this matter and considering that this situation affects more than 6,000 lumbermen in the ridings of Beauce and Dorchester and a few others in the lower St. Lawrence, I feel that we are justified in expecting that the minister will tell us whether negotiations are actually under way. It should be kept in mind that lumbermen have a right to expect that this problem affecting them will be solved a little more promptly.

Mr. Chairman, it was possible to reach an agreement rapidly with our neighbours on the matter of nuclear weapons. I feel, therefore, that after seven or eight years of discussions by both successive governments, and more especially following the information provided last September, when we were given to understand that an agreement was possible, it is strange that no answer has yet been supplied as late as December.

Mr. Chairman, could the Minister of Labour tell us this evening whether the nego-

tiations which are under way will result in the signing of an agreement between the Canadian government and the state of Maine concerning Canadian forest workers?

[*Text*]

Mr. Barnett: Mr. Chairman, as has been indicated by some previous speakers the minister has mentioned the fact there will be an opportunity early in the next session to discuss some aspects of unemployment insurance. I do not believe any of us expect him to undertake a detailed discussion of the question of unemployment insurance tonight. However, there is one aspect of this question of unemployment insurance and the national employment service administration about which I should like to inquire. I am referring to the general pattern of establishing offices for the servicing of claims, and particularly the national employment service offices.

I have a feeling that there has been a rather rigid formula developed over the years since the commission has been in operation. I am wondering whether, along with that review of the whole operation of unemployment insurance arising out of the Gill report, this sort of thing could be reviewed. I have a particular interest in this matter and I should like to illustrate the point I have in mind by citing a case I have in my own constituency. I know that prior to 1957 in the planning of a public building for Campbell River, provision was made for an office for the national employment service. According to information given to me in answer to a question just before the last election, this place is still available.

I know, too, that no efforts of mine exerted in co-operation with the former minister of labour, and through him to the commission, nor any efforts of the former member for Comox-Alberni resulted in an indication of willingness by the commission to establish an office on either a part time or full time basis in Campbell River. A great many people feel very strongly that the problems of unemployment are aggravated because of the difficulty people have in reaching the employment service. This is emphasized at times by the inaccessibility of the office for filing claims. Using this situation as an example of what I am driving at, I should like to ask the minister to tell us whether there is any review of the whole question of policy for establishing employment offices under way at the present time, particularly from the point of view of making the national employment service a more useful instrument in the elimination of unemployment.

Mr. MacEachen: In this connection, Mr. Chairman, as my hon. friend realizes, the Gill committee made a proposal to separate the national employment service from the unemployment insurance commission, so that it could become a more effective instrument, more dynamic and more closely linked to the policies for employment programs. This whole question is under consideration, and surely one of the matters that we would want to consider in connection with the possible severance of the national employment service, is how to make the service more effective; and that obviously would entail locations. In that respect, the matter will be under review.

[*Translation*]

Mr. Caouette: Mr. Chairman, it is unfortunate that we waited till a few hours before prorogation of the house to study such an important question as unemployment insurance in Canada. It is true that I have only a few words to say on this matter at the present time. However, a matter of this magnitude should have been discussed much earlier in the session, so that every hon. member would have had the opportunity to say what is going on in his riding concerning the administration of unemployment insurance.

Last week I received a letter sent to me from St. Jerome, in the county of Terrebonne, where there was a strike which lasted four months. During the strike employees were paid $12 a week by their union.

Finally the strike was settled. People reported at the unemployment insurance office to ask for their benefits. Then they were told that as long as 80 per cent of employees were not taken back by the industry concerned, they would not get more than what they had received at that time, that is $12 a week paid by their union.

I think that governments should have done something to help those people who had already suffered for four months in claiming the rights they were denied.

Mr. Chairman, there is another point I want to bring to the attention of the minister. I mean the treatment given to the unemployed when they report at the unemployment insurance office.

We have received numerous complaints in that respect. In some offices, people are as welcome as a dog on a putting green. They are treated like numbers. They are instructed to march like soldiers. It seems that an absolutely rigid discipline is imposed. Under such circumstances, I say to the minister that the unemployed suffer enough from being out of work and grappling with the problems of life without employees of federal employment offices and unemployment insurance offices causing them additional troubles.

Now I would have another remark to make concerning conciliation, but since I do not want to take up any more of the time of the house so as to permit adoption of the estimates of the Department of Labour, I suggest to the minister to introduce his estimates much earlier at the next session, because otherwise, I think that we will exercise nevertheless our rights to discuss thoroughly the problem of unemployment insurance in Canada.

The Chairman: The item is carried.

[*Text*]

Item agreed to.

The Chairman: This concludes the estimates of the Department of Labour.

DEPARTMENT OF VETERANS AFFAIRS

1. Departmental administration, $2,406,800.

Hon. Roger Teillet (Minister of Veterans Affairs): Mr. Chairman—

Mr. Churchill: Mr. Chairman, on a point of order, is legislation being brought forward tonight? It was on last night's list.

Mr. Pickersgill: I apologize. I had intended earlier to say that it had been suggested to me that it would better suit the convenience of a number of members if legislation were held over till a little later. I think I indicated to some hon. gentlemen privately that that request had been made, but I am afraid I omitted to explain it to the committee, as I should have done. I hope there will be no objection taken to this course.

Mr. Nasserden: What is next?

Mr. Pickersgill: Perhaps it might be convenient if I indicated the order in which we would like to go on for as long as we can this evening. After the Department of Veterans Affairs we will take mines and technical surveys and then the remaining item of the Department of Industry and the remaining item of the Department of Trade and Commerce. We would then take the Department of Citizenship and Immigration and then the Department of National Defence. Perhaps that would be all we could hope to get done tonight.

Mr. Knowles: I do not wish to lengthen the list, but in these private communications which took place I thought transport was fairly high on the list.

Mr. Pickersgill: The Minister of Transport was ready to pinch hit at an ealier stage in the evening when I was looking for some of my other colleagues who have now turned up. There are also reasons of convenience why I prefer to take these other departments which I am now indicating.

[Mr. Caouette.]

Mr. Teillet: Mr. Chairman, it is not my intention to make a speech this evening in introducing these estimates for the very good reason that they have been dealt with by the committee on veterans affairs, where I gave a brief presentation. My intention this evening is only to express my thanks for the excellent work of that committee, which has again carried on in the tradition which has been developed over the years. I think they have done an excellent job and I want to assure them that their recommendations, as well as those of the veterans groups which have made presentations to them, will be given every consideration when we examine and review the legislation of the department for the next year. When I introduced the estimates to the committee I said at that time that there would be two or three small amendments or adjustments in the amounts of three votes. These are not changes of principle or changes in programs; they are adjustments due to the fact that we were able some eight or nine months after the printed estimates were prepared to make a more accurate forecast and to assess the situation more accurately than could have been possible eight or nine months earlier. We will, of course, move these amendments as the votes come up.

I have not all the officials of the department available because I think most of them have been exposed to the committee. They answered all the questions which were asked at the time. With that, Mr. Chairman, I will end my remarks.

Mr. Peters: Mr. Chairman, one of those who has been very active in the veterans affairs committee for a long time is the hon. member for Kootenay West. The long hours he spends on his duties have made it necessary this evening for him to be absent from the committee, and I know that he would have liked to be here for the discussion of these estimates.

The point I wish to raise is this. What value is this committee which has discussed these estimates, when its report is never considered? We have given consideration, not just one year but nearly every year, to the same type of procedure and now we are being asked again to do the same thing. I believe the minister's parliamentary secretary, who has been on this committee for many years, will agree with me that this year the presentations which were made by the Legion, the Canadian corps, the Hong Kong veterans, and the many other veterans organizations were much better presentations than those presented in previous years. All were highly critical of certain aspects of the department. I suggest the minister would be

well advised to attend these committee meetings himself. He would learn a great deal there and be in a much better position to make recommendations himself, instead of letting his officials make the recommendations. I do not say this is true of all departments, but I think it is true of veterans affairs. There is a certain amount of emotion involved in veterans problems, and in the presentation of those problems, which can only be assessed if you listen to them and follow them closely.

Personally I am unhappy that I have not been able to attend all the meetings myself, because I found at the meetings I did attend a much stronger representation being made than has been made during the four or five years I have had the privilege of being a member of the committee. There are changes which should be made. The minister comes into the house in the dying days of the session, which is always the chance which the backbenchers have to put before various ministers on discussion of their estimates the wishes of their constituents. These things are always left to the last minute. Backbenchers are promised all the year that they will have opportunities to speak on the estimates. How many are standing up and making their observations tonight? Not very many. Sooner or later I think the leader of the house will have to say that he is willing to change the system. If it is not changed, there is no point in attending committees. All we need to do is to allow the cabinet to carry on the government of the country.

These representations have been made to us. The hon. member for Swift Current-Maple Creek tried to take action with regard to some of them and I believe he was unfairly treated. He pointed out, as a number of witnesses had pointed out, that two or three sections in the act needed amendments so as to change the whole concept of the treatment veterans are receiving. There has not been a great deal of complaint against officials of the pension commission or of the department itself. It is a political criticism. We have left loopholes in the act which make it necessary for persons without legal training to decide whether or not an injury has occurred during service, or arising out of service or in relation to service. This important point was discussed in the committee.

The department did not violently disagree with what was proposed, except that it did have its legal counsel defend what it considered to be the correct interpretation of the act on a legal basis as it now stands. I believe they were hard on the hon. member for Swift Current-Maple Creek because, surely, the whole intention of this veterans legislation is being negatived by the application of a strict legal interpretation to the wording of the act. This legislation is intended to be a reward, a compensation for service done by the veterans of this country. The hon. member was putting forward a case which all the veterans organizations had agreed to support. Many of the committee members were in favour of it. We would be better off tonight if the parliamentary secretary were to rise and tell us what the department intended to do in relation to the representations which have been made.

I believe the minister should tell the committee that there is to be a fundamental change in the attitude of the department. I think most members of the committee will agree that there has to be a new interpretation of the several sections of this act. There is no real opposition to such a new interpretation being made. Yet the minister has not told us what he proposes to do in this regard or what consideration is being given to it. How can he consider this proposal when the report has not yet been tabled? In any case, he has not had enough time to study it and reach a decision. I think the government is being unfair to the veterans when it asks the committee to pass this item. A committee of the house has been studying sections of this particular act. But we have received no assurance from the government that it is considering changing the system so that committees will meet earlier in the session, so as to be in a position to bring in a report for discussion by members before the estimates are passed and in time for the government to indicate what its intentions are in relation to the report.

I do not intend to make a speech of this kind on all the other estimates which have yet to be considered, but I do so in this case because the opinion was unanimously expressed that we have reached a milestone in the administration of the veterans charter and that consideration should now be given to changing the act. The situation which now confronts us is not the fault of the officials of the department or of those who are administering the law. This is something we have to do. It is parliament which must change the legislation so as to bring it up to date. I do not expect the minister to announce, tonight, that he intends to do this. But I have been here since 1957 and I have been placed in the same position every year. We do the difficult work in the committees, but nothing comes of it. I am in favour of making concessions, but the concessions we are being asked to make are unfair to us and unfair to the veterans organizations which appeared before us at their own expense. In addition, the present situation is unfair to the minister

who has not had an opportunity to do anything about these recommendations.

I make these statements in condemnation of no one except the leader of the house and those responsible for preparing the order of business. Here is a case where members of voluntary organizations have made their presentations. Members of parliament sitting on a committee have agreed with many of the proposals which were made. Now the officials are waiting for us to take the further steps that are required, and we cannot do it because of the time factor.

Mr. Nasserden: I have only a brief word to say, and that is in commendation of the work which this department has undertaken in the past. I wonder if the minister could indicate what plans the department has for the veterans hospital at Saskatoon?

Mr. Churchill: I so seldom find myself in agreement with the hon. member for Timiskaming that I cannot resist the rare opportunity of expressing my sympathy with the point he has made tonight, with the sole exception of his statement that his experience has been the same all through these years. I agree that the minister should make some statement with regard to the future plans of the department, based on the extensive submissions and the recommendations made by the committee.

During the period when I had the good fortune to be associated with the Department of Veterans Affairs, I introduced certain substantial changes in legislation and I did indicate that I thought one of the next steps should be a revision of the Pension Act. The present minister has been in office for several months. He has had the benefit of the committee hearings and he should by now be in a position to let us know what the government has in mind for the veterans of this country. I may caution the hon. gentleman by saying that, as far as I can gather, the veterans of Canada are not very sure what this government intends to do about some of their problems, and perhaps hon. gentlemen opposite should show some signs of activity along that line.

One of the main items which has been before veterans, certainly in these latter years, has been the benefit of the doubt section of the Pension Act. When I was connected with the department we endeavoured to correct that by persuasion. I recall a debate in the house on one occasion when almost all the veteran members of the house participated and talked about the problem of the benefit of the doubt clause. At the committee hearings this year very extensive evidence was introduced to show how that matter had been dealt with in England where the same problem had arisen, and it seems to me that the minister, for the sake of the veterans of this country, should have said something tonight about the intentions of the government with regard to that particular problem.

Then there is that other section in the Pension Act which causes so much distress to the pension commission in their endeavour to do justice. It concerns servicemen who are now with the regular forces, or their dependants. It is a section in the act which saddles the pension commission with a problem which perhaps should not be a problem for the pension commission, but rather something that should be handled by the Department of National Defence. This again was a matter I had hoped to deal with, and had conditions not changed so fundamentally and so disastrously for the country perhaps it would have been dealt with by this time. But the responsibility now rests on the Liberal government. It is not a partisan matter.

In the one instance there is the problem affecting the veterans of this country under the benefit of the doubt clause and, second, there is the problem that concerns present servicemen and, in the event of their death, their dependants. These problems have to be recognized and faced and something has to be done about them. The minister has said nothing. Granted that these estimates were considered by the veterans affairs committee, and granted that under these circumstances the house will possibly not spend very much time on them, nevertheless in order to avoid spending too much time on these estimates a clear statement from the minister is desirable so that we will not have to ask him such questions or prod him into giving us a review of what the government's intentions are.

There is a third matter which is of very great interest to the veterans of this country. They would like to know the intentions of the government with regard to veterans hospitals. I recall that last spring when the report of the Glassco commission came out with a suggestion that the veterans hospitals be turned over to civilian use, we immediately said: Hands off the veterans hospitals. Subsequently I looked into the matter and I discovered that the officials of the Glassco commission who had written that particular section of the report had ignored the submission made to them by the director of medical services for the Department of Veterans Affairs. Under the circumstances, therefore, that report cannot be accepted as valid.

To create in the minds of our older veterans any doubt as to the veterans hospitals is in my view very unwise. I have said time and time again since that report was issued that

in so far as our older veterans are concerned nobody wants to deprive them of the services of the veterans hospitals which have served the veterans of this country so well all these years. Everybody realizes, of course, that if there is no further war, and we hope there will not be, the veterans hospitals will be available in time for other purposes, but for our older veterans of the first world war in particular these hospitals are essential. They are also essential, of course, for the veterans of the second world war and Korea, but at the moment the numbers of those veterans who require such attention is not as great as in the case of the veterans of the first world war. I am aware of all the reasons for and arguments about the extra expense involved in looking after our older veterans in veterans hospitals, where the cost per bed is much higher than it would be if they were given attention under other arrangements. I know all the arguments there; but until these other arrangements are made for the older veterans of this country, let us reassure them that their needs will be looked after in our veterans hospitals, and let us reassure their relatives at the same time.

On these three matters I have raised, which were the subject of considerable discussion in the committee on veterans affairs, the minister should say something to the house to inform us what the intentions of the government are. If he will do that I will relieve him of something that has been hanging over his head for eight months, his shabby treatment of a former member of the pension commission. But if he is not going to give us satisfactory answers on these other matters I will revive that matter. I will read into the record my cable to the Prime Minister and his brush-off reply which I have also described as shabby treatment of a veteran of the first world war. Therefore we await the minister's accounting.

Mr. Teillet: There are two things I am going to say at the moment. The hon. member is perfectly right, of course that the report has only been in my hands a short time. The submissions of the association were also presented to me. I had meetings with most of these groups and, as I said at the beginning of my remarks, the matter will be under very intensive study and I am going to give these representations every consideration.

As far as Saskatoon is concerned, I am given to understand that tenders are about to be awarded for the new hospital there, so my hon. friend should have the answer to that shortly.

Mr. Lambert: Mr. Chairman, there is one small point I should like to draw to the attention of the minister. It is a point that gave me some pause when I occupied the position he now has. I refer to the matter of the retroactivity of a pension when awarded by the pension commission. I found some difficulty in understanding the principle involved, in that if a veteran applied for a pension, was examined and in the normal course of events was awarded a pension in six weeks or two months time after assessing his case, the pension was then made retroactive for 12 months. Even though the veteran may not have even considered it or had no entitlement 12 months earlier, the pension is paid as of 12 months earlier. I think this is done to compensate more or less for those veterans who apply for a pension, are turned down and then have to go through the appeal procedure which sometimes takes a year, 18 months or more to get a final favourable decision, with the result that they would be penalized, and therefore an average of 12 months was taken. I think basically as the commission now works it would be far more equitable to make the pension award as of the date of the application, rather than the date 12 months prior to the date of the award. If a man has applied and it takes 15, 18 or 24 months for a favourable decision to be reached, the entitlement in effect was as of the date of the application.

There may have been some cases that stretched over three or four years, many years ago, and the rule was adopted then because the officials felt too great a sum of money would be paid to a veteran. But if a man is entitled to it he should get it. It was a wrong principle to limit him to 12 months just because it took a long time to come to the decision which should have been reached in the first place. If a final appeal is favourable, then that means that the original decision should have been favourable. For those reasons it is my earnest submission to the minister that this rule should be reviewed and that the date of the application should be the date from which the award ought to start.

Mr. Bigg: I have just two brief points to make. First of all I am a member of the veterans committee, and a very fine appeal was made by the Hong Kong veterans to that committee. I draw this brief to the minister's attention for special consideration. These veterans are the ones gravely affected by the controversial section 70 in the Pension Act concerning benefit of doubt. In my opinion any man who served in Hong Kong and was four years in a Japanese prison camp should certainly get the benefit of the benefit of doubt rule. There is a burden on those of us who did not pay in this very definite manner for our freedom to see to it that these veterans should not be put to the indignity of begging.

In the absence of the hon. member for Swift Current-Maple Creek, who is working very hard in the committee and in the house seeking a judicial review of the administrative boards in this connection, I would again like to draw the minister's attention to the presentation by Lord Denning, chief justice of England, which I believe is written into the minutes of the committee meetings. I do not think one could cite a higher authority on judicial matters, and he is quite open and free in his support of a judicial review of all points of law, whether or not an appeal is spelled out in the covering statute.

Mr. Thompson: I would just like to add my voice in support of what the previous speaker has mentioned concerning Hong Kong veterans. One of the greatest tragedies of war involves those who suffer injuries that cannot be measured in terms of loss of limb or physical wounds. It is difficult for any of us to realize what those veterans went through during their years of imprisonment, and I believe there is not a single group of veterans so worthy of special consideration as they are.

There is no special item in the regulations which applies to them, but in many cases they are more worthy than some of those who probably have less difficulty fitting into the regulations. Therefore I urge that the minister give very careful consideration to the responsibility our nation owes these people who went over there, poorly equipped and probably poorly trained, to meet the type of struggle they had to take part in, and then go through years of imprisonment.

The second matter I wish to mention concerns war veterans allowances. I believe the maximum casual earnings allowed for those who are entitled to these allowances are $900 a year. In many cases, combined casual earnings supplemented by war veterans allowances do not provide veterans with sufficient to maintain the standard of living which we all agree a man is entitled to in this day and age. It would not cost the department anything to permit an increase in the maximum amount of casual earnings, and I believe this is a point very worthy of mention.

Mr. Churchill: I am sure the hon. member for Red Deer would not like to leave the impression that the people who served in Hong Kong were poorly trained. Those regiments were organized at the beginning of the war. The Winnipeg Grenadiers, whom I knew so well, were mobilized in September 1939. They were well officered and the ranks were well trained. Their problem was shortage of equipment when they reached Hong Kong. They put up a magnificent fight against very heavy odds, and those who survived and suffered in the Japanese prison camps deserve special treatment from a grateful country. Vey few of them have recovered from the suffering they went through. I hope the hon. member will not mind if I just make that slight correction to his remarks, because they were a well trained body of troops and they fought magnificently.

Mr. Thompson: I did not intend any reflection on the type of training or the degree of training they had at home, but certainly they were not trained for the type of fighting they had to face. They expected attack from the sea, and they had to fight an entirely different type of warfare. This is not a time for controversy over whether they were trained or equipped. The main point is that they deserve special consideration, and I think we are all agreed on that.

[*Translation*]

Mr. Perron: Mr. Chairman, at this stage of the debate on the estimates of the Department of Veterans Affairs, which amount to $335,000,000, I believe it is appropriate for me, like the hon. members who preceded me, to make a few remarks.

It is easy to realize that the expenditures of that department are rather sizeable, since they total $335,000,000. However, if we consider the objectives for which they are intended, we must admit that those who took part in the two world wars as well as the Korean conflict surely deserve all the consideration of the Canadian parliament and their country, for they were called upon to defend us. That is why I feel that it is certainly appropriate to pass those votes, even if they are very considerable, in order to avoid some criticisms of the department by veterans of world war I.

I am not sure whether the minister is aware of the fact that some veterans receive a meagre pension, which is not even the equivalent of 50 per cent of the present cost of living. None the less, veterans are entitled to a pension.

As for the pension itself, I do not know exactly according to what standards it is established. In any case, several veterans of my constituency complain that they do not receive enough to honour their commitments, and this, at a time they have reached old age and can no longer hold a position in view of their state of health, which was considerably affected during their service in world wars I and II. Moreover, I know of other veterans who returned from war with disabilities but who, during the first year after their discharge from the army, did not seem too badly affected as far as their occupation was concerned. Now, after three or four years

in civilian life, they find that their health is seriously handicapped and, then, they experience tremendous difficulties in being admitted to the class of veterans entitled to a reasonable pension.

I believe the minister should deal more seriously with such cases and, as far as possible, grant them a more generous pension, and this, in order that those veterans may be in a position to live more becomingly in their country. Furthermore, I submit that the department should see to it that veterans have adequate housing, because they have sacrificed a part of their life on the battlefields.

I think they should be given much more than what they get today, a preference when an administrative job has to be filled in the country. Thus, I think it would be possible to employ many more veterans who do not ask for more than to earn their livelihood. Unfortunately, their health is affected, they cannot take any kind of job. I think the department should give them priority as veterans in many areas where their energy could be used.

Now, I should like to point out to the minister another aspect of his department which I think is very important. I refer to the lot of veterans' widows. I have very often exchanged correspondence with the minister on that matter.

In my own riding, several veterans' widows are complaining today that people do not seem to be willing to heed their representations, because these widows do not know how to submit them. In brief, they do not know where they should apply for information they absolutely need in order to take advantage of the continuance of their husbands' pensions as veterans' widows.

I hope that after the many sittings of the veterans committee held this fall, numerous steps will be taken so that, at the next session, the Department of Veterans Affairs can bring forward something new to improve that act.

Mr. Favreau: Mr. Chairman, I propose that item No. 25 be reduced by an amount of $250,000.

[*Text*]

Item agreed to.

20. Treatment services—medical research and education, $419,000.

Mr. MacRae: Mr. Chairman, I would like to speak for just a moment on this item. Before commencing my remarks I would congratulate the minister on his inheritance of an excellent department, excellently administered, and I hope the work that was carried out by his predecessors continues in the future for the benefit of the veterans of this country.

Some hon. Members: Hear, hear.

Mr. MacRae: Item 20 deals with medical research and education and it is noted that the amount is $419,000. The details, which are shown on page 453, indicate that for medical research itself the vote has been raised from $80,000 to $130,000. When Dr. Crawford appeared before the committee on veterans affairs I questioned him on the item of medical research, especially in the field of mental illness. To me this is vitally important, as I think it must be to many who have seen the broken minds of those men who served in Canada's wars. I first became interested in this matter early in world war II and I had occasion to visit Ste. Anne's military hospital, where one could see these men. It was depressing to see the men who had been bodily wounded, but it was even more depressing to see those men whose minds had been broken in 1915, 1916, 1917 and 1918 and who were still fighting their battles.

I became more deeply interested a few years later when a young man who served under my command and was decorated for gallantry was hospitalized at the end of the war for battle exhaustion so severe that for the rest of his life—he was then 19 years of age—until the time he dies he will remain in hospital. He was so battle exhausted that he could never go back to his home, to his family or to his friends. I would suggest that the minister should give very special thought in the future to the whole field of research into mental illness.

Dr. Hans Selye, the famous physician, is doing a tremendous amount of research in this whole field. His viewpoint is that stress and strain are the basic causes of most of the illnesses which beset mankind. If this is so, the men who served in battle in Canada's wars, have more than anyone else undergone stress and strain, and this calls for some consideration at the hands of this nation. I suggest to the minister that as the years go by his department will find that men who would perhaps have lived much longer and would have led much easier and happier lives will break down because of what was popularly known in world war II as battle exhaustion. This condition received much more humane treatment in world war II than it did in world war I, when a man who had been shell-shocked was considered to be a coward, and such men were sometimes shot as a result.

I commend this matter to the attention of the minister, and I hope that next time he presents his estimates he will be able to report to us that much more than is detailed in this vote has been spent in the whole broad

field of research into all types of mental illness, especially as it applies to battle exhaustion.

Item agreed to.

25. Treatment services—hospital construction, improvements, equipment and acquisition of land, $2,599,000.

[*Translation*]

Mr. Favreau: Mr. Chairman, after securing the necessary information, I move that the item No. 25 be reduced by $250,000.

[*Text*]

The Deputy Chairman: Order. Mr. Favreau moves that vote 25 of the estimates of the Department of Veterans Affairs be reduced by $250,000. Shall the amendment carry?

Amendment agreed to.

Item as amended agreed to.

30. Prosthetic services—supply, manufacture and administration including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year for prosthetic and related services, $1,435,200.

Mr. MacRae: Mr. Chairman, I have no wish to delay the passage of the minister's estimates. They are important. They are, of course, the estimates of the previous administration and we are now looking towards prorogation. I wish to speak very briefly on this item. The minister will know, when he reads the report of the veterans affairs committee, that there is therein a recommendation that the prosthetic services of the department be made available to all Canadians. I realize that the minister will be giving this recommendation his consideration in due course.

The point was made by Dr. Crawford that perhaps adequate prosthetic service was not available throughout most of our country. Well, that is true but only up to a certain point. Mr. Chairman, there are in this country a number of private prosthetic makers who do an excellent job. We are a free enterprise country. Also, let us keep in mind that we do not want this service to be any less than it is now for the veterans of this country. I would ask the minister to look carefully at this recommendation before taking this particular branch of our veterans service into the welfare state towards which we seem to be headed.

45. War veterans allowances and civilian allowances, $86,244,000.

Mr. Favreau: I move that vote No. 45 be reduced by $700,000.

The Deputy Chairman: Shall the amendment carry?

Mr. Peters: We would like to know why there is this large reduction.

[Mr. MacRae.]

Mr. Teillet: As I explained in the committee and at the beginning of my estimates, this is quite a large vote amounting to $86 million. An assessment was made some eight or nine months after the book of printed estimates was available. The requirements during the year indicated that this lesser amount would be required to meet the commitments. There is no change in principle or policy involved at all.

[*Translation*]

Mr. Caouette: Mr. Chairman, I wish to remind the minister of the promises which were made to the veterans when they were soldiers in the 1939-45 war, while they had, in Europe, a visit from the minister of national defence, Colonel Ralston, who said to them: Young men, fight with courage and bravery and when you go back to your country, Canada, you will never suffer again poverty in the midst of plenty and you will be treated—as we say in French—"aux petits oignons"; you will be respected by your country.

Now, Mr. Chairman, the veterans' benefits in many cases are not sufficient to allow them to live decently. I know that the minister cannot change his estimates at this time, even though he introduces a reduction of $700,000; but when parliament meets again in 1964, I hope that the government will take into account the needs of the veterans and of their widows, in every respect.

[*Text*]

Amendment agreed to.

Item as amended agreed to.

60. Burials and memorials, $1,691,500.

Mr. Peters: I am interested in this item. Perhaps the minister does not have the information I require at hand, and perhaps he could supply it later. I had a request from my areas, and I am sure the same situation applies in other areas, for some type of perpetual care to be supplied to cemeteries in which veterans are buried, both enemy and allied. At the time I was led to believe the benefits of the national war graves commission had been made available to cemeteries for prisoners of war. I am just wondering if sufficient time has elapsed to allow that work to be done under this arrangement. If the minister does not have the information, it is quite all right, but I would appreciate it if he would look into this question of the maintenance of war graves in this country in relation to the arrangements that were made earlier.

Mr. Teillet: May I take advantage of the kindness of the hon. gentleman to suggest that I might dig into the matter and report to him at a later date?

Item agreed to.

Canadian pension commission—

75. Administration expenses, $2,592,200.

Mr. Churchill: I suggested earlier to the minister that if he would give a statement to the committee concerning some of the issues raised on item No. 1, I would refrain from drawing the attention of the committee to the treatment he afforded a first world war veteran immediately on taking office. The minister gave no statement. I simply record the fact that I sent a telegram to the Prime Minister of this country on May 8 to this effect:

When your government assumed office on 22 April there were two vacancies on the pension commission. A third vacancy was created on 1st May by the action of the Minister of Veterans Affairs. I repeat my request for the immediate reinstatement of McKay to correct the imbalance in the representation of first world war veterans on the commission and in the representation of western Canada.

The Prime Minister replied as follows:

I am in receipt of your telegrams, one sent to London and one sent to my office here, concerning the decision of the Minister of Veterans Affairs not to renew the appointment of former commissioner McKay of the Canadian pension commission on the completion of his term which expired on April 30 of this year.

I do not believe that this is a matter in which I should interfere with the decision of the responsible minister.

I consider that to be shabby treatment of a veteran of this country who gave service in two world wars and who served in the trenches in the first world war at the battle of Passchendaele. Anyone who served at the battle of Passchendaele will understand the circumstances, and why I speak strongly in favour of this man.

More important than that, sir, is the fact that on May 17 I asked a question of the Minister of Veterans Affairs which is recorded on page 14 of *Hansard* and reads as follows:

Mr. Speaker, I have a question for the Minister of Veterans Affairs. I should like to ask him whether he has filled the two vacancies on the pensions commission which were existing when the government took office on April 22.

The minister replied in these words:

To my knowledge there were no vacancies on the commission at that time.

This statement misled the house, because there were two ad hoc vacancies on that commission. I asked a supplementary question in the following words:

In view of the fact that there were two vacancies on the pensions commission when the government took office on April 22, I should like to ask the minister why he found it necessary, as he stated, to create a vacancy—

This was by way of a letter and a press release.

—when those two were in existence; and will he immediately correct the imbalance on the pensions commission and reinstate Mr. McKay so that representation may be restored for first world war veterans and for western Canada?

He replied as follows:

I have given the hon. gentleman a complete and truthful answer in writing to this question.

I maintain, sir, that the house was misled by that statement. There were two ad hoc vacancies on that commission when the minister was appointed, and he then created a third. He raised the issue of the non-representation of various parts of this country and tried to confuse the issue. I say that the Minister of Veterans Affairs and the Prime Minister of this country treated very shabbily a veteran of this country who deserved better from this government and from his country.

Mr. Teillet: I expected, of course, that the hon. gentleman would have carried out the threat he raised earlier, and that is one of the reasons I allowed him to. Second, I will not repeat the argument except to tell him that the statements I made were truthful and categorical and they remain so. To attempt to suggest that an injustice was done here means that, if there was, then I was only correcting an earlier injustice which took place a year before. I reinstated the balance of the commission because the hon. gentleman unbalanced it. I said that at the time. I still think that is the fact, and as far as I am concerned the matter rests there.

Mr. Churchill: The minister said that on the first occasion—

Mr. Teillet: That is right.

Mr. Churchill: —and he says "and the matter rests there". The veteran has been let out. The minister said there is no imbalance on the commission, that there are no vacancies. I say again that he is misleading the house. There were two ad hoc vacancies on the commission at the time he took office.

Mr. Fisher: Mr. Chairman, I will not take very long to make my point. In this furore or difference of opinion which has developed between the minister and the hon. member for Winnipeg South Centre, I recognize that a question of principle is involved. I felt that there should be protection against this sort of thing and I put on the order paper a bill, Bill No. C-35, described as an act to amend the Criminal Code (a purge for the king's evil). In this sense I just want to define

what "king's evil" means. A lot of members have come to me and have asked whether "king's evil" is scrofula, which is some kind of skin disease. In this particular case the king's evil is the arbitrary power of the king, in this sense the crown, to dismiss people at a moment's notice. It is a failure to renew an appointment which the incumbent might expect to be renewed, without giving notice of any kind.

Therefore I would advocate to all hon. members the purpose of this bill. If it had applied to this case it would have meant that the member whose appointment was not renewed would have had six months' notice. This is one of the things we should consider, that when any gentleman is drawn into the public service on an appointment basis, most of which appointments offer a high salary, and they devote three, five, perhaps seven years to their appointment, when a shift in government comes, for example, they may be dropped very quickly. I can think of some examples on the other side. A Mr. Buchanan was dropped very abruptly from the tariff board by the Conservative government. This often results in a tremendous shock to the person concerned. No matter what his partisanship may be, the bottom drops out of his economic base.

In considering people in the pension commission at the present time, those who were Conservative appointees, when their time ends, must expect to be dropped. But what about the man doing a good job on the commission? I am sure there are several of them doing a good job, whatever may be their political allegiance. I think the best way to protect them and to prevent the kind of situation developing evidenced by the obvious disagreement between the minister and the former minister is to put something like this bill I have proposed on the statute books, making it a requirement to give six months notice when an appointment will not be renewed. I leave this with hon. members as a suggestion, because it is quite apparent my bill will not be debated in this particular session of parliament.

Mr. Churchill: Mr. Chairman, the bill would have been in the house a few days ago, had the hon. member been available. I came down with all this material intending to support him, for I like the idea of six months' notice. All Mr. McKay was given was 24 hours' notice.

Item agreed to.

Terminable services—

115. Veterans benefits including assistance and the training of certain pensioners under regulations approved by the governor in council, $1,044,600.

[Mr. Fisher.]

Mr. Favreau: Mr. Chairman, I move:

That vote No. 115 be reduced by $65,000.

Mr. Clancy: I should like an explanation of this deduction.

Mr. Teillet: I gave the answer a little while ago. A later assessment some eight or nine months after the printing of the estimates allowed for more accuracy. There is no change in principle or policy.

Mr. Clancy: I agree, as long as you speed up the queen's printer.

Amendment agreed to.

Item as amended agreed to.

The Deputy Chairman: This concludes and completes the estimates of veterans affairs.

Mr. Teillet: May I express my thanks to the committee for assisting me so expeditiously.

Mr. Peters: Ten thirty.

Mr. Pickersgill: Since the Minister of Mines and Technical Surveys is out of the chamber for a few minutes, could we take the lone item of Department of Trade and Commerce and dispose of it?

Some hon. Members: Agreed.

DEPARTMENT OF TRADE AND COMMERCE

L63b. Acquisition in the 1963-64 and 1964-65 fiscal years of uranium concentrates in accordance with contracts to be entered into with the approval of the governor in council by Eldorado Mining and Refining Limited on behalf of Her Majesty in right of Canada with Rio Algom Mines Limited, Denison Mines Limited and Faraday Uranium Mines Limited; and to provide in the current and subsequent fiscal years for the cost of stockpiling uranium concentrates purchased under the said contracts, $20,000,000.

Item agreed to.

The Deputy Chairman: That concludes the estimates of the Department of Trade and Commerce.

Mr. Peters: Ten thirty.

Mr. Pickersgill: I wonder whether, in view of the general desire of the committee to get on with the business so that we can finish this week, there could not be an understanding that we would sit long enough at least to take the estimates of my colleague the Minister of Mines and Technical Surveys which have already been considered, according to the records I have, for three and a half hours and which, I imagine, will not require much more time.

The Chairman: Is that agreed?

Some hon. Members: Agreed.

DEPARTMENT OF MINES AND TECHNICAL SURVEYS

Administration services—

1. Administration, operation and maintenance including Canada's fee for membership in the pan-American institute of geography and history, $1,290,100.

Mr. Benidickson: We were considering item one, I think, on November 15 and I believe at that time the hon. member for Port Arthur had the floor. I have spoken to him in the meantime and I think we have agreed that I shall see the prospectors association of Port Arthur on my next visit to Port Arthur, which will perhaps be in the very near future.

With respect to some of the items which were brought up, I think I could very well, with the consent of the committee, write replies by letter to the hon. members who spoke. I see my predecessor in office is here. He was not available last night in the committee but I paid him the compliment of saying I was really advancing his estimates. If he has any suggestions to make I shall be glad to reply to them. But apart from that, I think we had a good discussion on November 15 and, with the consent of the committee, I assure everyone that although some of the members who spoke that night are not here this evening, I will see that my officials analyse with great care the recommendations they made, and we will reply to them in writing.

[*Translation*]

Mr. Martineau: Mr. Chairman, I shall be brief since it is getting late.

However, I should not want to let this occasion go by without first congratulating my successor, whose graciousness is well known and who is doing such a fine job. I do not think my friends opposite will mind my saying that.

I should also like to pay tribute to the late Marc Boyer, the lamented deputy minister who passed on suddenly while I was his minister. His demise was a great loss not only to the officials who were associated with him in the department, but to the people in the Canadian mining industry who came in contact with him. A man of great competence, he was always in for those who sought the development of that important industry. We greatly deplore such an untimely death.

As for the present deputy minister and his assistant, I know that they carry out their duties with great competence, and I commend them for it.

I think that the minister has realized the importance of having within his department a supply of scientists and technicians who are second to none in knowledge among other world scientists and who are responsible for the tremendous progress accomplished by one of our most important industries.

As the minister pointed out, the estimates now being considered have been prepared in great part by the Conservative administration, and I could hardly object, of course, to the projects covered in those estimates. But since the budget of this department relates mostly to industrial research, I suggest to the minister that he should certainly not yield to the pressures that must have been brought to bear by his colleague, the Minister of Finance (Mr. Gordon) in order to further reduce his estimates. I know that the minister, who has the welfare of his departmental officials at heart, and more especially the country's development, will use his great influence, not only to maintain the estimates at their present level, but even to increase them so as to improve the outstanding services provided by the various divisions of the department.

Mr. Chairman, before I conclude, allow me to say that the department and particularly the mines branch renders important services to the mining industry. However, in my opinion, these services should be given more publicity, and this not only to enable the mining industry to make use of them, because it does so quite freely, but also in order that prospectors and small people of the mining industry from the grass roots of the mining industry, as we say, be better acquainted with the services of the mines branch.

In this connection, I agree with the proposal made by the hon. member for Port Arthur (Mr. Fisher), to the effect that the department should tangibly support the very important work of the prospector because he is at the basis of the mining industry and hence of the discovery of this important source of wealth for our country. Therefore, I ask the minister to find concrete means to assist that very important category of our miners.

Mr. Chairman, I think the whole question of industrial research in this country should be reconsidered, and I would go as far as to suggest that the Department of Mines and Technical Surveys, where there is a nucleus of scientists and specialists, be made the centre of all research services in the federal government. In my opinion, it is more than time to centralize those research services, and the Department of Mines and Technical Surveys is the ideal place to achieve such a concentration.

If the government undertakes the re-organization of the public service, as suggested by the Glassco commission, it will perhaps establish a department of research, the heart

of which, if I may put it that way, should be the present Department of Mines and Technical Surveys.

[*Text*]

Mr. Fisher: I should like to add one more point to the minister's consideration of his meeting with the prospectors. I appreciate that he intends to get in touch with the very active prospectors association at the lakehead. I have mentioned before that the minister of mines in the Ontario government at the present time is from the northwest section of Ontario, from the riding of Port Arthur. The minister knows him. He is a man who is very much in touch with mining developments. At the present time he is promoting a silver "come back" in our area. Now that we have two ministers of mines who come from the big prospecting country, I suggest it is a perfect time for them to get together, and I should like to ask the hon. gentleman if he would consider having a conference with the Ontario minister of mines specifically to see if Ontario and the federal government cannot devise a program which would be of mutual interest and which, perhaps, could also be applied to other provinces.

I am sure Saskatchewan, which has a program for prospectors at the present time, would be interested in joining in. The lure of the big strike, the dream of making it rich, of making it big through a mineral discovery is one of the dreams in Canada that to me is much more worth while than the idea of striking it rich in the Irish sweepstakes. I think it has real consequences for our economy. We need to do something about refurbishing the dream of a lot of men who have fallen behind the kind of scientific and technical advance that more and more is turning prospecting into something that is really in the hands of the very large corporations with great technical resources and geological experts, such as the hon. member for York-Scarborough.

Mr. Benidickson: I want to say immediately that I have had two recent conferences with the minister of mines of Ontario. This subject is another on which we would be very glad to collaborate, with the hon. member for Port Arthur.

The Chairman: Shall vote No. 1 carry?

Mr. Pigeon: One question.

[*Translation*]

Mr. Chairman, I would like to ask the minister if he has received a request from the province of Quebec and from the province of Newfoundland to set once for all the boundaries of Labrador and New Quebec—because the federal government often steps in, for instance in the field of transport which concerns two, three, four, ten provinces—and as this matter concerns two provinces, I would like to ask him if he has received a request or if he intends to invite the representatives from those two provinces to Ottawa to settle for good this problem which has been pending for many years.

[*Text*]

Mr. Benidickson: Mr. Chairman, since I have become minister I do not recall that I have received an official letter from either province, but our position has been stated in the house at this session of parliament. We will be very glad to render the assistance available from our officials to either or both provinces, but I think both must make the request.

[*Translation*]

Mr. Pigeon: Mr. Chairman, may I ask a supplementary question?

Does the minister intend to ask representatives from the two provinces to come to Ottawa in order to find a final solution?

[*Text*]

Mr. Benidickson: No, Mr. Chairman.

The Chairman: Shall vote No. 1 carry?

Mr. Peters: I call it 10.30, Mr. Chairman. I suggest that if we are not interested in ourselves we should at least be courteous to the staff and let them have a certain amount of rest before they have another hard day. If we cannot run our own business properly, let us at least help them.

Mr. Pickersgill: Mr. Chairman, I have tried to be as considerate and courteous as I possibly could be to every element in the opposition, but I do not think anyone will take it amiss if I say it seems to me that the hon. member, who has taken at least a third of the whole time during the day, is taking a rather lot upon himself by making it possibly necessary for the officials for whom he is expressing consideration to have to come to work during Christmas week when, if we would get on with our work today, tomorrow and Saturday, they would be able to enjoy their holidays and so would the rest of us. I appeal to the hon. gentleman, to whom all of us have listened with the greatest courtesy and politeness whenever he has spoken today, and who has been treated very well by other hon. members, to reciprocate the co-operation he himself has received.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Chairman, I am one who has taken up none of the time today and I wish

to express my strong disapproval of the inconsiderate manner in which the house leader has tried to encourage us to extend the hours without any regard for the health or welfare of those people who have to remain on duty in the interpreting booths. I think it is disgraceful.

Mr. Benidickson: Mr. Chairman, may I say to the hon. member, who represents a mining community, that we are dealing with mining estimates. Last week I dealt with some of the remarks the hon. member for Timiskaming made then. May I say that I dealt in the most pleasant fashion with members from all over the country who are interested in mining. The hon. member's remarks were accepted well, in proper parliamentary form, and I think he might consider putting through these estimates.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Ten thirty.

Mr. Peters: Mr. Chairman, in view of the remarks that have been made I would certainly be glad to co-operate if the minister will ask that the estimates of his department be accepted in total.

Mr. Pickersgill: If it would be the wish of the committee to accept these estimates, there having been nearly four hours discussion of them, we would be quite agreeable.

Item agreed to.

Mr. Pigeon: How many millions did we vote in 20 seconds?

The Chairman: This completes the estimates of the Department of Mines and Technical Surveys.

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, I should like to ask the house leader three questions with regard to the business for tomorrow.

The first is, would he so arrange the business that we could have answers to the written questions, of which 60 remain on the order paper, and unless they are answered tomorrow I presume they will die there. The second question is, what legislative items are still to be considered, and will he call those first tomorrow? Then my third question is, what estimates will be taken up tomorrow?

Mr. Pickersgill: I can propose, but it is quite obvious that is as far as I can go. So far as the questions are concerned we had questions answered yesterday—I have almost lost track of the days—yes, yesterday. I would doubt if there are many more answers available but I would be quite glad, when we have concluded the estimates and sent the appropriations bill over to the other place, if the house would agree at that time to have questions called, to give any answers that by that time are available to any of the questions on the order paper.

With regard to legislation, as I indicated last night there had been some question about whether the government would have to make some suggested changes in the legislation with respect to the world's fair. We have now reached the conclusion that the proposal that is on the order paper is the one we would like to recommend to the house, and therefore we would ask the house to consider both the resolution and the bill tomorrow. There is no difficulty about that because the bill stands for second reading, owing to some fortunate Speaker's decision in, I think, 1913; but I would hope we could have the debate wholly on one or the other. I would suggest the bill might be preferable.

There is also a notice which has been put on the paper of a resolution preceding a bill which, as a result of such consultations as we have been able to have through the usual, and some more than usual channels, I believe will be generally acceptable to the house. If, when hon. members look at their *Votes and Proceedings* tomorrow and see this notice, they indicate that they are prepared to proceed expeditiously with it, the government would be glad to bring it forward, and I am led to believe that if it was acceptable to the house, it would then be possible to deal by agreement with a large number of private bills that still stand on the order paper.

There is no other legislation except those two matters and the private bills I referred to, that the government feels any obligation about. There are of course quite a number of public bills, and I believe there is one other private bill and, if there is any time after the appropriations bill, it has been suggested that some time might be devoted to a further consideration of that bill. That is something I personally would like to recommend to the house when the time comes.

Mr. Douglas: Which bill is the minister referring to?

Mr. Pickersgill: It is a bill in the name of the hon. member for Portage la Prairie.

Mr. Knowles: Portage-Neepawa.

Mr. Pickersgill: I stand corrected. The hon. member himself is from Portage la Prairie.

There are still estimates of nine departments to be completed and I cannot be quite sure of the order in which they will be called because one or two ministers, and particularly my colleague the Secretary of State for External Affairs, have other preoccupations

tomorrow of a pretty urgent character. But as I see it now, the order in which we would like to call them is first, the Department of Industry, which has relatively little left; then the Department of Citizenship and Immigration, where no items have been passed but where there has been quite an extended debate; then the Department of National Defence, most of the items of which have been dealt with, but there are a few items still standing; then the Department of Transport, most of the items of which have been dealt with but there are quite a number of items still standing; then the Department of External Affairs which of course has been considered carefully in the special committee and I believe was considered for one evening in the house, but in which no item has yet been passed.

There is an item left over in the department of northern affairs and we would work it in at some convenient time among the latter estimates. Then there are the estimates of the Speaker and the Department of Finance, and my own estimates which have not yet been considered at all. I think they would be kept until the last, in the order which I have given, unless there are some very strong reasons for changing the order.

When that has been completed, so far as I can see the business of the house for the session which began on May 16, 1963, so far as the government is concerned, would be completed.

The Minister of Industry reminds me that it is various agencies within his responsibility which have to be dealt with, but that the department itself has been disposed of. That is a technical correction of some importance. Whether it will be possible to do all that business in one day I do not know, but it does raise the question of what kind of hours the house is prepared to sit.

If there is no understanding about the matter we would take the public business from 11 to 1, from 2.30 to 5, and from 7 to 10.30. I think it is perfectly obvious to every hon. member that we could not possibly complete the business in those hours. I would hope, particularly now that the hon. member for Port Arthur was able to explain the king's evil to us this evening, that there might be a disposition to forgo the private members' hour, which would make quite a difference to the day.

The government would be very happy, and I do not think there would be much objection from the staff of the house, if we could agree, from the time we start in the morning—and every effort would be made to accommodate hon. members at their convenience in this, and to accommodate the staff—to sit without a break until some time in the evening when a

[Mr. Pickersgill.]

motion to adjourn would be made. I would certainly be only too ready to undertake that the motion to adjourn would be made not later than eleven o'clock, and certainly not later than twelve o'clock.

If that is not agreeable, perhaps we could at least have a definite understanding that if the business is not completed tomorrow we would meet on Saturday at eleven o'clock, and have the same rules apply to our proceedings as apply on Friday, except there would be no private members' hour. Perhaps I could have some expressions of view on this question.

Mr. Churchill: With regard to tomorrow we are quite prepared to meet at 11 and sit continually until some adjournment hour later that evening, and our preference would be to complete the business tomorrow if that could possibly be done. We are prepared for a Saturday sitting if this fails.

Mr. Douglas: Mr. Speaker, I really do not think we have any right to keep staff here from 11 in the morning until 10.30 or 11 at night without a break, no matter what the Secretary of State says. Translators, *Hansard* reporters, messengers and others have to be on the job during that period almost continually, and I think it is a most inhumane type of treatment to impose on any group of people. I do not think it is necessary, and I am sure that the longer we have, the more some people will waste time.

I think if we follow the time table we had today, maybe if we see we are going along pretty rapidly in the afternoon we could dispose of the supper hour, but we are certainly prepared to come back on Saturday. I think it would be better to handle this with decent hours and not kill the staff, rather than try to do it all with indecent haste and have a lot of people played out on Saturday morning.

[*Translation*]

Mr. Marcoux: Mr. Speaker, our group has no objection at all to the sitting hours proposed by the Secretary of State (Mr. Pickersgill). However, I would suggest he asks personally whether the staff has any objections. If not, I do not see why we should not go on sitting according to the schedule suggested by the Secretary of State. In the circumstances, we are ready to do it, and even to sit Saturday if necessary.

Mr. Caouette: Mr. Speaker, we, on this side, are also prepared to co-operate with the Secretary of State (Mr. Pickersgill) and the government with regard to the suggested hours for tomorrow. We are assured that arrangements will be taken so that the staff may be replaced alternatively during the lunch and supper hours. Consequently, we are prepared to agree to these sitting hours

so that we may complete consideration of the estimates in order for the house to prorogue as soon as possible.

It is strange to note that the opposition to that schedule comes precisely from those who are delaying the passing of those estimates, rather inconsiderately.

[*Text*]

Mr. Pickersgill: Mr. Speaker, if I might perhaps form a consensus from what I have heard, without trying to be invidious in any way, it seemed to me there was absolutely no objection to sitting on Saturday if it were absolutely necessary. I would like to have that clearly understood first. If that is the case, I think perhaps I might make a modified suggestion. It would be that we take one hour for lunch tomorrow, from one o'clock to two o'clock; that we take the private members' hour for government business, and that we make no decision about the supper hour at all and see what progress has been made and what the prospects are, because I think if the staff thought they did not have to come back on Saturday they would be glad to provide the services during the supper hour tomorrow. But I think there is something in what the hon. member for Burnaby-Coquitlam has said, that if it becomes certain by that time that there is to be a sitting on Saturday anyway, it might perhaps be desirable to have a break; and I hope it is clearly understood that we would sit, without any question, until eleven o'clock in the evening.

Mr. Churchill: Mr. Speaker, we are agreeable to any of these arrangements. I hope there is no impression left here that any party in this house is disregarding the staff of this institution. I am relying on the house leader to make the necessary arrangements for the staff; and if the situation becomes impossible, we will be satisfied with his judgment.

Mr. Pickersgill: I may say, Mr. Speaker, that I have been observing parliament, in it and around it, for a quarter of a century. If we manage to end this session without having one day of continuous sitting, I think it will be just about the first session that has ever been ended without that having been done. It is not that I mind setting a precedent, if we can do it. I hope it is understood, then, Mr. Speaker, that we will meet tomorrow at eleven o'clock; we will adjourn from one o'clock to two o'clock; we will take the private members' hour; we will consider before six o'clock, through the usual channels, whether we want to sit between six o'clock and seven o'clock; we will come back at seven o'clock; we will sit till eleven o'clock, and if we have not concluded our work, we will start our sitting on Saturday at eleven o'clock and complete it, I hope, before too long that day.

Mr. Barnett: Mr. Speaker, may I ask what the minister means when he says "take the private members' hour"? Does he mean take it for government business?

Mr. Pickersgill: Yes.

Mr. Deputy Speaker: Is it agreed that the house will sit tomorrow at the times and hours suggested by the Secretary of State?

Some hon. Members: Agreed.

Mr. Peters: I hope, Mr. Speaker, there is not any pressure with regard to sitting until eleven o'clock. I hope the Secretary of State, if he says eleven o'clock, will not put up this tirade at that particular hour.

Mr. Pickersgill: I can assure the house, Mr. Speaker, that unless the hon. member for Timiskaming rises and asks us to sit after eleven o'clock tomorrow night, I will not ask.

Mr. Knowles: Perhaps, Mr. Speaker, we should also have it noted, just to get it all together that we are agreed to the Saturday sitting if necessary.

Mr. Pickersgill: Oh, yes.

Mr. Deputy Speaker: Is it agreed, as far as the Saturday sittings are concerned?

Some hon. Members: Agreed.

It being seventeen minutes after eleven o'clock the house adjourned, without question put.

Supply—Items Passed

[The following items were passed in committee of supply this day (for amendments see text):]

DEPARTMENT OF MINES AND TECHNICAL SURVEYS

A—Department—

Administration services—

Departmental administration—

1. Administration, operation and maintenance including Canada's fee for membership in the Pan-American institute of geography and history, $1,290,100.

5. Construction or acquisition of buildings, works and equipment, including common-use field survey equipment, $304,600.

10. Explosives Act administration, $104,500.

15. Mineral resources division, $424,100.

Surveys and mapping branch—

25. Branch administration including a grant of $1,000 to the Canadian institute of surveying and photogrammetry, $197,000.

30. Geodetic survey of Canada, $1,119,400.

35. International boundary commission including authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the share of the United States government of the cost of binding annual reports and maintaining boundary range lights, $102,900.

Topographical surveys—

40. Administration, operation and maintenance, $2,002,800.

45. Construction or acquisition of equipment, $87,000.

50. Legal surveys and aeronautical charts, $796,600.

51. Provincial and territorial boundary surveys including authority to make recoverable advances in amounts not exceeding in the aggregate the amounts of the shares of the provincial governments of the costs of the surveys, $300.

60. Map compilation and reproduction, $1,628,100.

Marine sciences branch—

70. Administration, operation and maintenance including Canada's fee for membership in the international hydrographic bureau, $6,001,800.

75. Construction or acquisition of buildings, works, land and equipment, $3,100,000.

Geological survey of Canada—

80. Administration, operation and maintenance including Canada's share of the cost of the geological liaison office, British Commonwealth scientific conference, London, England, and $75,000 for grants in aid of geological research in Canadian universities, $6,191,000.

85. Construction or acquisition of buildings, works land and equipment, $265,800.

Mines branch—

90. Administration, operation and maintenance including Canada's share of the cost of the commonwealth committee on mineral processing and $35,000 for grants in aid of mining and mineral processing research in Canadian universities, $4,677,700.

95. Construction or acquisition of buildings, works, land and equipment, $464,200.

Geographical branch—

100. Administration, operation and maintenance including the expenses of the Canadian permanent committee on geographical names and the national committee for Canada of the international geographical union, Canada's fee for membership in the international geographical union and a grant of $500 to the Canadian association of geographers, $554,300.

Dominion observatories—

Dominion observatory, Ottawa and field stations—

105. Administration, operation and maintenance including the expenses of the national committee for Canada of the international astronomical union, Canada's fee for membership in the international astronomical union and a grant of $3,500 to the royal astronomical society of Canada, $1,722,000.

110. Construction or acquisition of buildings, works, land and equipment, $495,000.

Dominion astrophysical observatory, Victoria, B.C.—

115. Administration, operation and maintenance, $217,900.

120. Construction or acquisition of buildings, works, land and equipment, $60,600.

General—

125. Purchases of air photography and the expenses of the interdepartmental committee on air surveys, $510,000.

130. Polar continental shelf project, $1,562,500.

B-Dominion coal board—

135. Administration and investigations of the dominion coal board, $131,500.

140. Payments in connection with the movements of coal under conditions prescribed by the governor in council, $14,721,400.

145. Subventions in respect of eastern coal under agreements entered into pursuant to the Atlantic Provinces Power Development Act, $1,600,000.

DEPARTMENT OF TRADE AND COMMERCE

Loans, investments and advances—

L63c. Acquisition in the 1963-64 and 1964-65 fiscal years of uranium concentrates in accordance with contracts to be entered into with the approval of the governor in council by Eldorado Mining and Refining Limited on behalf of Her Majesty in right of Canada with Rio Algom Mines Limited, Denison Mines Limited and Faraday Uranium Mines Limited; and to provide in the current and subsequent fiscal years for the cost of stockpiling uranium concentrates purchased under the said contracts, $20,000,000.

DEPARTMENT OF VETERANS AFFAIRS

Soldier Settlement, and Veterans' Land Act—

100. Grants to veterans settled on provincial lands in accordance with agreements with provincial governments under section 38 of the Veterans' Land Act, and grants to veterans settled on dominion lands in accordance with an agreement with the Minister of Northern Affairs and Naitonal Resources under section 38 of the Veterans' Land Act, $115,000.

Terminable services—

118a. To provide, notwithstanding the children of War Dead (Education Assistance) Act, that Sharon Anne Isted, daughter of the late Sgt. William G. Isted, who was killed on the 22nd day of January, 1944 while serving on leave without pay from the Royal Canadian Air Force as an instructor with a civilian training organization operated under the British commonwealth air training plan, be deemed to be a student on and from the 1st day of September, 1961 within the meaning of the said act, $1.

119a. To deem ex-Gunner John Ausborn Taylor, notwithstanding section 248 of chapter 43 of the statutes of Canada, 1950, to have been honourably discharged from the Canadian Army (active) on the 3rd day of July, 1946, $1.

War veterans allowances and other benefits—

45d. To provide effective October 1, 1963 and during the twelve-month period thereafter, that a pension paid pursuant to the Old Age Security Act be deemed for purposes of the War Veterans Allowance Act, 1952, and Part XI of the Civilian War Pensions and Allowances Act, to be $55 per month, $1.

Canadian pension commission—

80. Pensions for disability and death, including pensions granted under the authority of the civilian government employees (war) compensation order, P.C. 45/8848 of November 22, 1944, which shall be subject to the Pension Act; and including Newfoundland special awards, $174,829,000.

85. Gallantry awards—world II and special force, $26,000.

Soldier Settlement and Veterans' Land Act—

90. Administration of Veterans' Land Act: soldier settlement and British family settlement, $4,198,900.

95. Upkeep of property, Veterans' Land Act, including engineering and other investigational planning expenses that do not add tangible value to real property; taxes, insurance and maintenance of public utilities, $58,800.

Loans, investments and advances—

L80. Purchase of land and permanent improvements; cost of permanent improvements to be effected; removal of encumbrances; stock and equipment; and protection of security under the Soldier Settlement Act and the Veterans' Land Act, $41,500,000.

War veterans allowances and other benefits—

57a. To authorize payment of an allowance to Mrs. Cecile P. Arcand, widow of Louis George Arcand, a recipient of war veterans allowance, in an amount equal to the amount that she would otherwise receive under the War Veterans Allowance Act, 1952, as amended from time to time, if her marriage to Louis George Arcand had fully complied with the requirements of section 11 of the said act, $1.

Soldier Settlement and Veterans' Land Act—

90a. Administration of Veterans' Land Act; soldier settlement and British Family settlement, $115,000.

95a. Upkeep of property, Veterans' Land Act, including engineering and other investigational planning expenses that do not add tangible value to real property; taxes, insurance and maintenance of public utilities, $10,200.

Terminable services—

117a. To ratify payments made and to authorize payment of the remaining proceeds to Norma Hannough, daughter of the late Farys Hannough, regimental number D-82513, under veterans insurance policy V-36866 notwithstanding clause 16 of the conditions of that policy and notwithstanding section 10 of the Veterans Insurance Act, chapter 279, revised statutes of Canada, 1952, $1.

Soldier Settlement and Veterans' Land Act—

105. Grants to Indian veterans settled on Indian reserve lands under section 39 of the Veterans' Land Act, $40,000.

111. To authorize, subject to the approval of the governor in council, necessary remedial work on properties constructed under individual firm price contracts and sold under the Veterans' Land Act and to correct defects for which neither the veteran nor the contractor can be held financially responsible; and for such other work on other properties as may be required to protect the interest of the director therein, $6,000.

Terminable services—

115. Veterans benefits including assistance and the training of certain pensioners under regulations by the governor in council, $1,044,600.

120. Repayments under subsection (3) of section 12 of the Veterans Rehabilitation Act, $5,000.

30. Prosthetic services--supply, manufacture and administration including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year for prosthetic and related services, $1,435,200.

35. Veterans' bureau, $666,000.

40. War veterans allowance board—Administration, $207,800.

Miscellaneous payments—

60. Burials and memorials, $1,691,500.

65. Grant to army benevolent fund, $18,000.

70. Grant to Royal Canadian Legion, $9,000.

Canadian pension commission—

75. Administration expenses, $2,592,200.

War veterans allowances and other benefits—

45. War veterans allowances and civilian allowances, $86,244,000.

50. Assistance in accordance with the provisions of the assistance fund (war veterans allowances) regulations, $3,450,000.

55. Treatment and related allowances, $2,715,000.

1. Departmental administration, $2,406,800.

5. District services—Administration, $3,395,800.

10. Veterans' welfare services, $3,689,400.

Treatment services—

15. Operation of hospitals and administration including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year for hospital and related services, $42,865,600.

20. Medical research and education, $419,000.

25. Hospital construction, improvements, equipment and acquisition of land, $2,599,000.

DEPARTMENT OF LABOUR

B—Unemployment insurance commission—

50. Administration of the Unemployment Insurance Act, $45,412,500.

55. Transfer of labour to places where employment is available and expenses incidental thereto, in accordance with regulations of the governor in council, $37,000.

Loans, investments and advances—

L27a. To authorize the Minister of Finance, notwithstanding the Unemployment Insurance Act, to credit, on such terms and conditions as the governor in council may determine, to the unemployment insurance fund such sums as may from time to time be required by the said fund; the aggregate of the sums outstanding at any one time not to exceed, $55,000,000.

A—Department—

Government employees compensation—

45. Administration of the Government Employees Compensation Act, $114,000.

Supply—Items Passed

47d. To authorize payment, during the current and subsequent fiscal years, to Helen O'Neill, a former dependent of Wilfred Vincent O'Neill, of an allowance under the Government Employees Compensation Act from April 21, 1963 until she dies or marries, whichever first occurs, at the monthly rate payable pursuant to that act to the dependent widow of an employee who was usually employed in the province of Quebec, $1.

Technical and vocational training assistance—

40. To carry out the purposes of the Technical and Vocational Training Assistance Act and agreements made thereunder—Payments to the provinces, $109,484,000.

40a. To carry out the purposes of the Technical and Vocational Training Assistance Act and agreements made thereunder—Payments to the provinces, $47,165,000.

General administration—

25. Civilian rehabilitation branch administration including payments to carry out the purposes of the Vocational Rehabilitation of Disabled Persons Act and agreements made thereunder, including undischarged commitments under previous agreements and the promotion of a program for the employment of the older worker, $529,000.

25a. Civilian rehabilitation branch administration, $176,000.

27d. Payments in accordance with terms and conditions approved by the governor in council to employers of 50 per cent of monthly wage paid or $75 per month, whichever is less, on behalf of each full-time worker 45 years of age or over engaged during the period November 1, 1963 to January 31, 1964, and who is otherwise eligible under the older worker employment and training incentive program; to authorize the governor in council to make regulations for the effective administration of the said program, $5,000,000.

Special services—

30. Special services branch including the promotion of a program for combatting seasonal unemployment, the organization and use of workers for farming and related industries and assistance to the provinces under agreements entered into with the provinces by the Minister of Labour with the approval of the governor in council, $525,700.

30d. Special services branch including the promotion of a program for combatting seasonal unemployment, the organization and use of workers for farming and related industries and assistance to the provinces under agreements entered into with the provinces by the Minister of Labour with the approval of the governor in council, $650,000.

32d. Payments in accordance with terms and conditions approved by the governor in council to provinces and in respect of Indian bands under the municipal winter works incentive program during the 1963-64 and 1964-65 fiscal years of amounts not exceeding fifty per cent of the cost of labour incurred in the period from November 1st, 1963 to such day in the fiscal year 1964-65 as may be determined by the governor in council, and in the case of projects in designated development areas and as authorized by the Minister of Labour in areas of heavy winter unemployment 60 per cent of such cost; and to authorize payments in those fiscal years to provinces in respect of previous municipal winter works incentive programs in accordance with terms and conditions approved by the governor in council, $35,000,000.

33a. To provide for the establishment of a manpower consultative service to assist in and encourage the establishment of manpower adjustment programs by employers and workers; and to authorize payments in accordance with agreements entered into with the approval of the governor in council by the Minister of Labour with provinces, employers and workers, in respect of labour mobility and assessment incentives, $586,000.

34d. Payments in accordance with terms and conditions approved by the governor in council under the winter house building program during the fiscal years 1963-64 and 1964-65 of $500 per dwelling unit substantially built during the period December 1st, 1963 to March 31st, 1964, $20,000,000.

Technical and vocational training assistance—

35. Administration, $401,300.

General administration—

5. Economics and research branch including research grants and related expenses, $835,200.

Annuities Act—

10. Administration, $1,177,300.

15. Government's contribution to annuities agents pension account in accordance with regulations made pursuant to vote 181, Appropriation Act No. 1, 1961, $17,000.

20. Industrial relations activities including the administration of the Industrial Relations and Disputes Investigation Act, the Canada Fair Employment Practices Act, the Female Employees Equal Pay Act, the Fair Wages and Hours of Labour Act, the Annual Vacations Act, and regulations, and the promotion of labour-management co-operation, $625,600.

20a. Industrial relations activities, $25,000.

DEPARTMENT OF NATIONAL REVENUE

Taxation division—

20. General administration, $3,906,300.

25. District offices, $33,850,500.

25d. District offices, $1,829,000.

Tax appeal board—

30. Administration expenses, $139,300.

DEPARTMENT OF PUBLIC WORKS

Central Mortgage and Housing Corporation—

205. Expenses incurred in constructing and supervising construction of married quarters, rental housing, schools and related services and administering mortgages on behalf of the Department of National Defence, $415,000.

Loans, investments and advances—

L50. Advances to Central Mortgage and Housing Corporation for the purposes of subsection (1) of section 37 of the National Housing Act, 1954, in respect of the acquisition, development, construction and improvement of land and buildings, $118,000.

(Responsibility transferred to Minister of National Revenue)

L207d. To authorize Central Mortgage and Housing Corporation, notwithstanding section 7 of the National Housing Act, 1954, to insure loans made on and after June 14, 1963 under that act to homeowners, to builders of houses who intend to sell to home purchasers, and to co-operative housing associations, where the amount of any such loan does not exceed,

(a) in the case of a loan made in respect of a house containing one family housing unit, an amount equal to the aggregate of

(i) 95 per cent of the first $13,000 of the lending value or any part thereof,

(ii) 70 per cent of any amount by which the lending value exceeds $13,000, and

(iii) the amount of the insurance fee paid in respect of the loan; and

(b) in the case of a loan made in respect of a house containing two family housing units, an amount equal to the aggregate of

(i) 95 per cent of the first $13,000 of one-half of the lending value of the house or any part thereof,

(ii) 70 per cent of any amount by which one-half of the lending value of the house exceeds $13,000,

(iii) 85 per cent of the other half of the lending value of the house, and

(iv) the amount of the insurance fee paid in respect of the loan, $1.

DEPARTMENT OF NATIONAL REVENUE

Customs and excise divisions—

General administration, $5,270,500.

5. Inspection, investigation and audit services, $5,266,400.

Ports

10. Operation and maintenance including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year from firms and individuals requiring special services, $29,725,500.

15. Construction or acquisition of buildings, works, land and equipment, $309,000.

DEPARTMENT OF FISHERIES

Special—

45. Canadian share of expenses of the international commissions detailed in the estimates, $1,162,000.

45a. Canadian share of expenses of the international commissions detailed in the estimates, $110,000.

50. Newfoundland bait service, $1,771,000.

55. Educational work in fisheries techniques and co-operative producing and selling among fishermen, $120,000.

60. Fisheries Prices Support Act administration, $65,000.

65. Payment, subject to such terms and conditions as the governor in council prescribes, of assistance to producers of salted fish on products designated by the governor in council, in the amount of 50 per cent of the laid down cost of salt purchased for their production, including authority to charge administrative costs to the vote in these estimates which provides for administration of the Fisheries Prices Support Act, $600,000.

70. Assistance, in accordance with terms and conditions approved by the governor in council, for the construction of fishing vessels in respect of which capital subsidies authorized by vote 222 (Canadian maritime commission) of these estimates may not be paid, $300,000.

75. Assistance in the construction of bait freezing and storage facilities, subject to the regulations established by the governor in council, $30,000.

Fisheries research board of Canada—

80. Headquarters administration, $228,000.

85. Operation and maintenance including an amount of $55,000 for grants for fisheries research and for scholarships, and authority to make recoverable advances of amounts not exceeding in the aggregate the amount of the share of the international great lakes fishery commission of the cost of work on lamprey control and lamprey research, $5,318,000.

90. Construction or acquisition of buildings, works, land and equipment, $1,070,000.

DEPARTMENT OF AGRICULTURE

Special—

Agricultural Rehabilitation and Development Act—

170. Payments in respect of projects and programs under the Agricultural Rehabilitation and Development Act, and payments to provinces pursuant to agreements entered into under that act, $7,000,000.

Land rehabilitation, irrigation and water storage projects—

Irrigation and water storage projects in the western provinces including the South Saskatchewan river project; the Prairie Farm Rehabilitation Act program; land protection, reclamation and development—

145. Administration, operation and maintenance, $8,229,200.

150. Construction or acquisition of buildings, works, land and equipment, $23,826,000.

155. Maritime Marshland Rehabilitation Act including authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the share of the province of Nova Scotia of the cost of the Annapolis river aboiteau—causeway project, $468,400.

Special—

160. Prairie Farm Assistance Act administration, $785,000.

Agricultural Rehabilitation and Development Act—

165. Administration, operation and maintenance, $157,000.

Production and marketing branch—

Livestock division—

90. Grants to agricultural fairs, exhibitions and museums in accordance with regulations of the governor in council; payments pursuant to agreements in force on March 31, 1963, with exhibitions covering the construction of buildings and other major undertakings; and a grant of $50,000 to the royal agricultural winter fair, Toronto, and freight assistance on livestock shipments for exhibition thereat, $751,600.

91. Special grant to royal agricultural winter fair, Toronto, $140,000.

92. Special grant to Pacific national exhibition, Vancouver, $100,000.

Dairy products division—

50. Grants and other assistance in accordance with the Cheese and Cheese Factory Improvements Act, $1,073,000.

55. Fruit and vegetable division including maple products and honey—operation and maintenance, $1,823,900.

Health of animals division—

65. Operation and maintenance including Canada's fee for membership in the office international des epizooties and authority, notwithstanding the Financial Administration Act, to spend revenue received during the year from packers requiring special services, $10,837,100.

70. Construction or acquisition of buildings, works, land and equipment, $104,000.

Supply—Items Passed

70a. Construction or acquisition of buildings, works, land and equipment, $20,000.

75. Compensation for animals slaughtered, $2,100,000.

77. Contributions to the provinces, in accordance with regulations of the governor in council, of amounts not exceeding two-fifths of the amounts paid by the provinces to owners of animals that have died as a result of rabies since the first day of July, 1960, $17,000.

Livestock division—

80. Operation and maintenance including premiums on purebred sires and contributions for livestock improvement; stockyard supervision and furs, $2,690,100.

85. Supervision of race track betting, $1,021,400.

42. Subsidies for cold storage warehouses under the Cold Storage Act, $76,500.

42a. Subsidies for cold storage warehouses under the Cold Storage Act and a grant of $50,000 to the Cape Breton co-operative fisheries, $120,500.

Dairy products division—

45. Operation and maintenance including Canada's fee for membership in the international dairy federation, $905,400.

Board of grain commissioners—

140. Canadian government elevators—operation and maintenance including authority to purchase screenings, $1,529,000.

Livestock division—

95. Grants to agricultural organizations as detailed in the estimates, $266,200.

100. To authorize, notwithstanding sections 33 and 35 of the Financial Administration Act, the issue by the Minister of Agriculture, in accordance with terms and conditions prescribed by the governor in council, of premium warrants for high grade hog carcasses and for high grade lamb carcasses, and to authorize the charging to this vote of the value of premium warrants at the time they are issued, notwithstanding that the total value of all premium warrants to be charged may exceed the estimated cost of the program, which is $5,515,000.

Plant products division—

105. Operation and maintenance including seeds, feeds, fertilizers, insecticides and fungicides controls, $2,110,100.

110. Freight assistance on western feed grains, $18,500,000.

115. Agricultural lime assistance, $1,608,900.

116a. Contributions to Alberta and Saskatchewan in accordance with terms and conditions prescribed by the Minister of Agriculture, of one-half of the amounts paid by those provinces in respect of the transport of fodder and haying equipment and the movement of cattle to feed in the period from the first day of May, 1962, to the thirty-first day of March, 1963, $42,000.

120. Plant protection division, $1,298,100.

125. Poultry division, $1,252,900.

127a. Contribution to Prince Edward Island, in accordance with terms and conditions prescribed by the Minister of Agriculture, of one-half of the amounts paid by the province to compensate farmers for the loss of 1962 grain crops which they were unable to harvest due to natural causes beyond their control, $60,000.

128a. Contributions to Nova Scotia, in accordance with terms and conditions prescribed by the Minister of Agriculture, of one-half of the amounts paid by the province to compensate farmers for the loss of 1962 grain crops which they were unable to harvest due to natural causes beyond their control, $72,000.

129a. Contributions to Nova Scotia, in accordance with terms and conditions prescribed by the Minister of Agriculture, of one-half of the freight charges paid by that province in respect of the emergency movement of hay in the period from the thirty-first day of January, 1963, to the thirty-first day of May, 1963, $35,000.

Board of grain commissioners—

130. Administration, $173,500.

135. Inspection and weighing of grain and related services, $4,656,000.

Administration branch—

1. Departmental administration including the national co-ordinating committee on agricultural services, $1,057,600.

5. Information division including a grant of $33,000 to the agricultural institute of Canada, $749,600.

10. Contributions to commonwealth agricultural bureaux in a total amount of £88,048, notwithstanding that payments may exceed or fall short of the equivalent in Canadian dollars, estimated as of December, 1962, which is, $265,500.

15. Economics division, $893,400.

15a. Economics Division—To extend the purposes of vote 15 of the main estimates, 1963-64, to include the contribution detailed in these estimates, $22,750.

110d. Freight assistance on western feed grains—To extend the purposes of vote 110 of the main estimates for 1963-64 to include assistance in respect of grain storage costs, in accordance with terms and conditions prescribed by the governor in council, and to provide a further amount of $1,000,000.

Research branch—

20. Branch administration including Canada's fee for membership in the international society for horticultural science and $128,290 for grants in aid of agricultural research in universities and other scientific organizations in Canada, $1,974,100.

Institutes, stations, farms, laboratories and services—

25. Operation and maintenance including the costs of publishing departmental research papers as supplements to the "Canadian Entomologist", $20,432,500.

30. Construction or acquisition of buildings, works, land and equipment, $3,525,000.

Production and marketing branch—

35. Branch administration including contributions to agricultural organizations to assist in the marketing of agricultural products, subject to the approval of treasury board, $948,100.

40. Agricultural Stabilization Act administration, $504,800.

HOUSE OF COMMONS

Friday, December 20, 1963

The house met at 11 a.m.

PRIVILEGE

MR. CAOUETTE—REFERENCE TO ARTICLE IN "LA PRESSE"

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, I rise on a question of privilege.

On page 25 of yesterday's *La Presse*, under an eye-catching headline, it is written:

Caouette said to have ordered all members of his group to hand over to him $3,000 out of their pay.

The article is signed by Marcel Gingras and reads as follows:

The leader of the Ralliement Creditistes, Mr. Real Caouette, is reported to have given 24 hours to the members of his group to hand him over a sum of $3,000 that each had promised to pay him.

And a little further on, one may read:

Each had been so happy about his raise in sessional indemnity that all the Caouette followers accepted the deal. Yesterday was the day of reckoning, but two of them are said to have refused to cough up, and it was then that the leader of the Ralliement is supposed to have issued his ultimatum.

Mr. Speaker, those are false insinuations and rumours bordering on stupidity. I do hope that the correspondent, Mr. Gingras, will show some professional integrity and give my denial as much space as he gave to those foolish statements which are quite typical of the hon. member for Three Rivers (Mr. Balcer).

Mr. Speaker, since, unfortunately, I have to leave Ottawa today to keep an engagement in my riding tomorrow morning, with your permission and the unanimous consent of the house, I wish to take this opportunity to say how happy I am to be able to thank you for the courtesy and fairness you have shown us during the session that is drawing to a close.

May I offer you also my best wishes for Christmas, as well as to the right hon. Prime Minister (Mr. Pearson), to the cabinet members, to the leader of the official opposition (Mr. Diefenbaker), to all the leaders of the other parties as well as to all the members of the house and to the staff.

I am looking forward to seeing you again in 1964.

Hon. Leon Balcer (Three Rivers): Mr. Speaker, on the same question of privilege, like the hon. member, I think that anyone who would accept to hand $3,000 to the hon. member for Villeneuve would really do a foolish thing.

Mr. Pigeon: It would be a bad investment.

MR. VALADE—REFERENCE TO REMARK IN DEBATE BY MEMBER FOR DANFORTH

Mr. Georges Valade (St. Mary): Mr. Speaker, I wish also to rise on a question of privilege under citation 140 of Beauchesne's fourth edition.

As reported on page 6077 of the English version of *Hansard* for December 18, 1963 the hon. member for Danforth (Mr. Scott) stated:

I was interested in the speech of the hon. member for St. Mary, much of which I thought was needlessly self-congratulatory of the previous government, and some of it quite hypocritical.

Mr. Speaker, I take exception to those remarks by the hon. member and I hope he will have the honesty to withdraw them or give an explanation that will dispel any doubt about me or any other member.

I am no more of a hypocrite than the hon. member for Danforth and I hope he will, in all fairness, withdraw his remarks.

[*Text*]

Mr. Reid Scott (Danforth): Mr. Speaker, the hon. member for St. Mary telephoned me yesterday, and I regret having been unable to return the call. I thought he was inviting me to a duel or something. I am still at a loss to know what is troubling the hon. gentleman, but if there was anything in my remarks to which he took exception in a personal way certainly I have no objection at all to withdrawing them.

Mr. Valade: On a question of privilege, I did not hear the hon. member retracting his words "in a hypocritical manner". I think those words should be withdrawn so they are not left on *Hansard*. There are some people in the house who have been conducting themselves in a hypocritical manner, such as those who have refused to vote on certain occasions in this house.

Mr. Speaker: Order. It seems to me that we have had enough discussion. Words must be given their ordinary meaning, and it seems

to me that the hon. member for Danforth did withdraw any implication he may have made.

Mr. Howard: Mr. Speaker, as far as the words "hypocritical manner" are concerned, if the hon. member withdraws the words I put them back on the record again.

Mr. Valade: Mr. Speaker—

Mr. Speaker: Order, please. I am sure the hon. member for St. Mary does not feel aggrieved at this time. He has had considerable time of the house. The hon. member for Danforth made a withdrawal even if he did not use the words in question complained of. I do not think the hon. member will improve the situation by making further remarks at this time. I think we should get on with the business of the house.

Mr. Valade: Mr. Speaker, surely I am not to be denied my right to raise a question of privilege, which is a right assured to each and every member of the house. The hon. member for Skeena (Mr. Howard) I hope did not have too much of a party yesterday, but he has just reiterated the words. He said that if the hon. member for Danforth was withdrawing the words he would put them back on *Hansard*. I think he should back them up on his own behalf, because he has been an expert in this field.

Mr. Pickersgill: Mr. Speaker, I wonder if I could suggest that as the matter occurred two or three days ago, it is more usual to raise the question of privilege at the time. Perhaps we could go on with the next item of business.

COMMITTEES OF THE HOUSE

Third report of special committee on defence—Mr. Sauve.

Fourth report of sessional committee on railways, air lines and shipping—Mr. Richard.

Fourth, fifth and sixth reports of standing committee on privileges and elections—Mr. Pennell.

Sixth report of standing committee on railways, canals and telegraph lines—Mr. McNulty.

Third report of standing committee on debates—Mr. Batten.

Third report of standing committee on mines, forests and waters—Mr. Cyr.

AGRICULTURE AND COLONIZATION—SECOND REPORT OF STANDING COMMITTEE

Mr. Russell C. Honey (Durham) presented the second report of the standing committee on agriculture and colonization, and asked for unanimous consent to move that the report be concurred in.

Mr. Speaker: I am advised that this is a very long report, and that there is no particular reason why the house needs to concur in it.

Mr. Pickersgill: I hope the hon. member will not press the suggestion that he will move concurrence later today.

REDISTRIBUTION

PROVISION FOR OFFICE OF REPRESENTATION COMMISSIONER AND READJUSTMENT OF REPRESENTATION

Hon. J. W. Pickersgill (Secretary of State) moved for leave to introduce Bill No. C-131, to provide for the establishment of electoral boundaries commissions to report upon the readjustment of the representation of the provinces in the House of Commons and to provide for the readjustment of such representation in accordance therewith.

Motion agreed to and bill read the first time.

JUDGES ACT AND EXCHEQUER COURT ACT

On the order: Government notices of motion.

That it is expedient to introduce a measure to amend the Judges Act and the Exchequer Court Act to authorize the appointment of, and the provision of salary for, one additional judge of the Exchequer Court of Canada.

Hon. J. W. Pickersgill (Secretary of State): I wonder whether, in accordance with what I suggested last night at the end of the day's business, we could advance the government notice of motion which appears in the name of the Minister of Justice on page 2 of *Votes and Proceedings* of today so that it would be available for consideration after we have dealt with the bill respecting the world fair today. If there should be any considerable objection from any quarter of the house the government would not proceed at all, as I indicated clearly last night, but I believe there has been the usual consultation and my impression is that there was agreement to proceed with this matter.

Mr. Churchill: I am sorry. What was the reference which the hon. gentleman gave us?

Mr. Pickersgill: Perhaps the matter could be left until a little later. Maybe I could reserve the right to ask to return to government notices of motion later in the day, and have an additional word with hon. members about this.

Some hon. Members: Agreed.

HOUSE OF COMMONS

DATE OF OPENING OF NEXT SESSION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, is the Prime Minister in a position yet to indicate to the house the expected date of opening of the next session of parliament?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I would hope it would be acceptable to the house if, subject of course to any emergency developing which might make another decision necessary, the house could reassemble for the next session in the second week of February. I regret I am not able to suggest to the house the exact day during that week, but it would be in the second week of February. That is our present intention.

Mr. Diefenbaker: Mr. Speaker, I think there will be general agreement with that, particularly when it is subject to the qualification the Prime Minister has mentioned, that should anything occur during the intervening weeks that would require the earlier convening of parliament it would be done.

ADMINISTRATION OF JUSTICE

JOHN WASYLENCHUK—ALLEGED ILLEGAL DEPORTATION FROM B.C.

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, the Minister of Justice was going to make a statement today on the Wasylenchuk case. I wonder whether he is prepared to do so now.

Hon. Lionel Chevrier (Minister of Justice): Yes, Mr. Speaker, I am. I do so in answer to a question raised by the Leader of the Opposition and also one raised by the hon. member for Burnaby-Coquitlam, but it has to do chiefly with a question put by the Leader of the Opposition with regard to whether or not my parliamentary secretary had any communications with others in connection with this matter.

The statement is as follows. After the extradition warrant had been sent out a telephone call was received by my parliamentary secretary from Mr. Ray Perrault, speaking for himself and on behalf of what he described as a legal committee, asking for further consideration of the point that Wasylenchuk ought not to be surrendered for extradition because he was on parole, and for consideration of the point that the habeas corpus judge had not actually issued an order dismissing the application.

Mr. Perrault indicated that the execution of the warrant was imminent and suggested to Mr. Macdonald that he should telephone the warden of Oakalla prison with a view to delaying execution of the warrant while these points were being considered. Mr. Macdonald complied with the request, and when he reached the warden he was informed that Wasylenchuk was already in the custody of United States officers and on his way to the United States.

With reference to the question raised by the hon. member for Burnaby-Coquitlam with regard to my looking into the point having to do with section 24 of the Extradition Act and section 11 of the Parole Act, I have this to say. I do not wish to be drawn into a legal argument, and I do not believe it would be in accordance with the practice for me to engage in one. Therefore I shall restrict myself simply to saying that I have been advised by the legal officers of my department that neither by force of section 24 of the Extradition Act nor section 11 of the Parole Act, nor both, is a person who is at large on parole to be considered as a person who is, to use their words, "undergoing sentence" within the meaning of the Extradition Act.

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, I have a supplementary question. In view of the confusion surrounding the extradition I wonder if the minister would not see fit to table the so-called opinion?

Mr. Chevrier: Mr. Speaker, it is not a so-called opinion. It is an opinion, a verbal opinion that was given to me by the officers when the matter was under discussion prior to the statement I made the other day and again today.

Mr. Fairweather: Will the minister table the opinion?

Mr. Chevrier: There is no written opinion; therefore I cannot table it.

Mr. Andrew Brewin (Greenwood): A supplementary question, Mr. Speaker. Does the minister not think that a reading of the sections indicates that the opinion he received is a nonsensical opinion?

Mr. Chevrier: Mr. Speaker, I have read the sections. I do not think it is a nonsensical opinion. As I said the other day, I must be guided, as every minister of justice must be guided, by the advice I receive from the officers and not by advice received from members of parliament. That is what I was guided by when I made the statement yesterday and when I, in effect, repeated it today.

Mr. Douglas: May I ask the minister one supplementary question. Did he receive this opinion before he signed the surrender order or afterwards?

Mr. Chevrier: I am glad to answer that question. The point raised by my hon. friend was not raised until afterward, and that is why my parliamentary assistant, in deference to Mr. Perrault, who raised the point particularly in his telephone conversation with him, made representations to the warden of Oakalla prison. It was after that that the point was considered; in fact two points were raised, and I might as well give them to the house.

The first point was that the proceedings had not been properly signed by the judge in question. This was gone into, and it was seen immediately that was not the case. The next question was whether a person who is on parole is subject to extradition. The opinion was given by our officers, and they have communicated it to me on several occasions, that according to their interpretation of these two sections a person who is on parole under these circumstances can be extradited.

Mr. Douglas: May I ask a supplementary question. Do I take it from what the minister now tells the house that he signed the surrender order for this man prior to receiving the legal opinion on this particular point; that his parliamentary assistant, in his absence, was so perturbed about this point that he tried to stop the extradition, and not having been successful in stopping the extradition the legal opinion has now been concocted to fit the situation?

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would have thought the Minister of Justice would have been quick to answer the suggestion of the hon. member for Burnaby-Coquitlam.

Mr. Knowles: He cannot.

Mr. Diefenbaker: I do not want to get into an argument about this. Does the minister say that his opinion was received before he signed the order permitting extradition?

Mr. Chevrier: No, I did not say that, because the point was not raised specifically at the time. When the warrant was placed before me with a memorandum from my officers there were two judgments. There was the judgment of Mr. Justice Hutcheson, who had conducted a preliminary hearing and had committed the man under the circumstances. Then there was the decision of Mr. Justice Ruttan having to do with the habeas corpus proceedings. Those were the two things I had before me; and it is customary under those circumstances for the officers to come before me and advise that this is the kind of warrant that should be signed. Having those circumstances before me I signed the warrant of commital, as I believe every minister of justice would have.

Mr. Diefenbaker: That latter statement I challenge immediately; I do not think it can be justified in law or in justice, regardless of whether this man is good or evil.

The minister did not mention whether the parliamentary assistant communicated with the border officers to see if he could stop the F.B.I. from taking this man over to the United States. This was part of the question yesterday, and I am sure that with the amount of consultation that has taken place since the minister will be able to tell us.

Mr. Chevrier: No, the parliamentary assistant did not communicate with those officers.

Mr. Diefenbaker: With reference to the statement made yesterday by the minister, has attention been drawn to a Canadian Press dispatch on this case and an interview with Mr. Perrault, the leader of the Liberal party in British Columbia?

It states as follows:

> Mr. Perrault said yesterday in Vancouver that he categorically denies a statement made by justice minister Chevrier.
>
> Mr. Perrault termed untrue a statement by Mr. Chevrier...that he advised Mr. Perrault all points in the affair had been investigated and that he (Mr. Chevrier) had no alternative but to sign a warrant permitting release of the murder suspect to U.S. authorities.
>
> ...Mr. Perrault said: "At no time have I received from Mr. Chevrier any telegram or letter on this subject".

What has the minister to say in that regard?

Mr. Chevrier: Mr. Speaker, I am glad the right hon. Leader of the Opposition raised that question. The statement was brought to my attention. Since the right hon. Leader of the Opposition has put something on the record, I would like to put on the record the telegram which I received from Mr. Perrault last night, which reads as follows. It is dated Vancouver, December 19:

> Received your letter regarding Wasylenchuk dated December 12th and postmarked Ottawa December 16th today at 2.20 p.m. Pacific standard time. I appreciate your assurance that following my letter to you of December 5th, you took every step in accordance with my request to review the matter and that following our telephone conversation of December 16th, you felt compelled to follow the advice of your officials that the point raised by me specifically the effect of section 11 of the Parole Act and section 24 of the Extradition Act did not relieve you of your duty to execute the warrant. I trust that everything will be done to assure an adequate defence for Wasylenchuk and I welcome your reported announcement in the house today to this effect. It is unfortunate that a breakdown in communications—

Some hon. Members: Oh, oh.

Mr. Chevrier:

—has led to misunderstanding. Best regards.

An hon. Member: Who wrote that letter?

Mr. Dienfenbaker: Was that telegram received after the discussions yesterday in the House of Commons?

Mr. MacEwan: Of course it was.

Mr. Chevrier: Yes, Mr. Speaker. I think perhaps I should tell the right hon. gentleman that I received a letter from the—

Mr. Nielsen: Special delivery.

Mr. Chevrier: —leader of the Liberal party in British Columbia on December 5, 1963, concerning this matter. I replied on December 12, but unfortunately the letter went to the legislative buildings in Victoria and was not received by the leader of the British Columbia Liberal party until after the 16th—

Some hon. Members: Oh, oh.

Mr. Chevrier: Look, if you want to listen to the facts, all right. If you want to listen to the hon. members from the other side of the chamber, it is all right with me. If you do not want to listen to the truth, that is fine. I am trying to say, in answering the right hon. Leader of the Opposition, that when Mr. Perrault made the statement which has been referred to, he had not received my letter; and when he received my letter he sent me this telegram. Now, that is all there is to it.

Some hon. Members: Hear, hear.

Mr. MacEwan: Table the document.

Mr. Diefenbaker: I would simply point out that the Canadian Press dispatch is dated yesterday—

Some hon. Members: Order.

Mr. Diefenbaker: I point out that the Canadian Press dispatch is dated yesterday, which—

Some hon. Members: Order.

Mr. Speaker: Order, please. I think all hon. members will agree that by now we have had quite a complete discussion on this matter—

Some hon. Members: No.

Mr. Speaker: —and it is developing into a debate. In view of the seriousness of the principles involved I have tried to be as generous as possible, but we have been discussing that matter, even though it is a very serious one, for many, many minutes, and I do hope it does not develop into a debate.

Mr. Diefenbaker: Mr. Speaker, in so far as the time taken is concerned, when there is injustice to any individual, regardless of whether he has a good reputation or an evil one, the time of parliament is well taken up.

Some hon. Members: Hear, hear.

Mr. Douglas: I have a supplementary question, Mr. Speaker. I ask the Minister of Justice whether he was aware, when he signed the surrender order, that Wasylenchuk was on parole.

Mr. Chevrier: I have already answered that question, I believe.

Mr. Douglas: The minister has not answered that question, Mr. Speaker.

Mr. Diefenbaker: No.

Mr. Speaker: Order. I have been extremely lenient with the hon. member for Burnaby-Coquitlam, and I agree with the right hon. Leader of the Opposition that when matters affecting the liberty of an individual, good or bad, are concerned, it is an extremely important matter and therefore justifies taking up considerable time of parliament. But the hon. member for Burnaby-Coquitlam, it seems to me, is merely arguing the case at the moment. May I suggest to him that if he has anything more to contribute he should do so, but let us not get into a long argument over the matter.

Mr. Douglas: On the point of order which you have raised, Mr. Speaker, I am not seeking to argue the matter. I asked the minister a very simple question, as to whether he was aware, at the time he signed the surrender order, that Wasylenchuk was on parole. If he knew he was on parole, why was the legal opinion, which he later sought, not secured at that time; or if he knew Wasylenchuk was on parole and did not seek a legal opinion, why did he not seek a legal opinion? I ask these questions because it certainly seems that an injustice has been done. These are two very simple questions that the minister should answer. Did he know, at the time he signed the surrender order, that the man was on parole? If he did, why did he not seek a legal opinion at that time?

Mr. Chevrier: Mr. Speaker, I am not going to enter into a discussion of the legal aspect of this matter. I have been informed that these two sections, considered together, do not in the slightest degree affect the extraditability, if I may use that word, of the individual.

Mr. Douglas: I am simply asking the minister why that opinion was not sought before he signed the surrender order.

Mr. Diefenbaker: Did the minister tell Mr. Perrault in a telephone conversation that

when he signed the extradition order he did not know this man was on parole? Did he tell Mr. Perrault that?

Mr. Chevrier: I do not recollect that I did.

Some hon. Members: Oh, oh.

Mr. Chevrier: I cannot remember that part of the conversation, although I have a note of it in my office. In fact I am sure that I did not make that statement.

Mr. Douglas: Mr. Speaker, the minister has not answered the simple question that I asked him. Did he know, when he signed the surrender order, that Wasylenchuk was on parole?

Mr. Chevrier: I do not desire to add anything more to what I have said and what is now on the record.

Mr. Douglas: The minister would not be adding anything to something he has already said, because I have not had an answer.

Mr. Heward Grafftey (Brome-Missisquoi): A supplementary question, Mr. Speaker. Did the minister at any time lead Mr. Perrault to believe that we would intervene in extradition proceedings?

Mr. Chevrier: No, Mr. Speaker, I did not.

Mr. Frank Howard (Skeena): Mr. Speaker, I would like to ask the right hon. Prime Minister whether, in view of the disclosures made earlier this morning, he does not think the time is now ripe to dispense with the services of the Minister of Justice or clean out the justice department.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, that is a most insulting question and I do not propose to dignify it by attempting to reply.

An hon. Member: You should be ashamed of that answer.

[*Later:*]

Mr. Diefenbaker: Mr. Speaker, I know how desirous the minister is to be sure that justice is blind, but in view of the serious nature of what took place in the Wasylenchuk case would he ask the Supreme Court of Canada its opinion on this subject, as to whether what was done was legal? The wording of the two statutes, being as they are, challenges the government to act in this regard to assure that injustice will not be done in the future and that the injustice already done will be rectified.

Mr. Chevrier: Mr. Speaker, I do not accept the statement made by the right hon. Leader of the Opposition that an injustice has been done under these circumstances. This is not the first such warrant of committal that has been signed by the Minister of Justice since he has been in office, and it was signed under the same circumstances as it is usually, when the decision of the court is rendered. The courts of the province of British Columbia dealt with this case on two occasions—

Mr. Diefenbaker: Not on this question.

Mr. Chevrier: Yes, they did, indirectly. The question comes up on habeas corpus and on appeal from the lower court, so it would seem to me that the whole question was determined by the courts. However, the problem which my hon. friend raises is one which it seems to me should not be considered under the circumstances. I do not see why the matter should be referred to the supreme court in this case any more than in the half dozen or more other cases where extradition proceedings have been decided upon and a warrant has been signed by the minister. To refer this particular point to the Supreme Court of Canada, or to any other court, under the circumstances does not appeal to me at the moment.

Mr. Diefenbaker: Mr. Speaker, I will ask just one question. In any one of the six cases to which the minister made reference, when he states he signed extradition orders, were any of those extradition orders made in respect of a man while out on parole?

Mr. Chevrier: I would have to look that up. I could not answer that offhand but I am convinced in my mind, after a reading of the two sections, that the treaty does apply under these circumstances for the reason I gave once before, namely that if that were not the case then a person on parole could leave the Canadian jurisdiction, go into the United States, commit a crime there, come back into Canada and, because he is on parole, would not be subject to extradition, and of course vice-versa, and I am sure that was not the intention of the two countries when they entered into the extradition treaty.

Mr. Diefenbaker: Then, Mr. Speaker, on what basis, unless the parliamentary secretary thought an injustice was done, or what authority did he have to get in touch with the warden?

Mr. Chevrier: I have already replied to that question—

Mr. Diefenbaker: No.

Mr. Chevrier: —and the parliamentary secretary did exactly what the minister would have done under the circumstances if a request had been made by a person in authority, by a person such as the leader of the Liberal party in B.C. or anybody else in authority,

asking that this matter be considered. This was all done in about 10 or 15 minutes when it was not possible to get an opinion, and I think I would have done just as the parliamentary secretary has done, and would have taken the action which he took, and after it was taken—my right hon. friend laughs. He is serious one moment, then he laughs the next.

Mr. Diefenbaker: I am laughing at the ridiculous answer.

Mr. Pearson: Anything to make a little political capital.

Mr. Chevrier: I thank the right hon. Leader of the Opposition for having said that and for his very complimentary remarks, but I repeat that the advice I have received from the officers who considered this very carefully was that under the circumstances the person in question was subject to extradition.

Mr. Douglas: As a supplementary question, do I take it the minister is now telling us that the legal opinion he has is based on what the statute ought to say rather than on what it says?

Mr. Chevrier: No, Mr. Speaker.

Mr. Erik Nielsen (Yukon): As a supplementary question, in view of the reference made by the minister to the telegrams and letters which he was holding in his hand, would he be prepared to table them?

Mr. Chevrier: Well, I think I will have to obtain permission from the person who sent them.

Mr. Nielsen: Mr. Speaker, I believe the minister is required under the rules to table the documents to which he has made reference, and I refer Your Honour to citation 159 of Beauchesne's fourth edition.

Mr. Chevrier: If you will allow me, I received this telegram from Mr. Perrault—well, it is already on the record so I do not think it necessary to table it.

Mr. Fairweather: We would like them all on the record.

Mr. Speaker: May I suggest that if they are public documents that is one thing, and if the minister is reading from the documents he should table them.

Mr. Chevrier: I have no objection to tabling it, and here it is. I wish to deal with one point, if I may, that the Leader of the Opposition raised.

Mr. Nielsen: Mr. Speaker, I raised—

Mr. Chevrier: I have the floor, Mr. Speaker.

Mr. Speaker: Order. We must proceed in an orderly manner, and surely the hon. member for Yukon (Mr. Nielsen) will keep his seat while the Minister of Justice is trying to reply to the various questions asked.

Mr. Nielsen: Mr. Speaker, I raised a question—

Mr. Diefenbaker: Nobody wants to add to the difficulties of Mr. Speaker, but when a point of order has been made and a request is made for a ruling, I think the hon. member for Yukon was entitled to say what he said.

Mr. Pickersgill: Surely the Minister of Justice is entitled to speak on the point of order.

Mr. Speaker: I thought that in my remarks made about four and a half minutes ago I had in effect given a ruling on the point of order raised by the hon. member for Yukon, and I thought also that by virtue of that ruling the Minister of Justice was proceeding to carry out certain suggestions. So I do not see any difficulties at the moment.

Mr. Nielsen: I had not understood Your Honour had made a ruling on the point of order I raised dealing specifically with citation 159 of Beauchesne's fourth edition, which it seems to me requires the minister to table all documents to which he has had reference. In any event he read fully from the telegram, and I think also read dates from two letters. I heard him read them when answering a recent question. I think the rule clearly requires the minister to table all documents to which he has referred or from which he has read, and he did read from the two letters in question, even if he only read the dates.

Mr. Chevrier: Mr. Speaker, I should like to table the telegram in question which came after the Perrault statement—

Mr. Nielsen: What about the two letters?

Mr. Chevrier: —which was referred to by the Leader of Opposition. The telegram is dated the 19th of December 1963, 5.26 p.m., Vancouver, and I received it around 10 p.m. In the telegram reference is made to the letters.

Mr. Nielsen: Mr. Speaker, surely that is not enough, because the minister has read from the letters. Now that this telegram has been tabled it makes reference itself to the letters. The minister having read from the letters, he should table them.

Mr. Chevrier: The statement made by the hon. member for Yukon is totally inaccurate. I did not read from letters; I read from the telegram.

Mr. Nielsen: You read the dates.

Mr. Pickersgill: The dates are in the telegram.

Mr. Speaker: Order, please. The hon. member for Winnipeg North Centre.

Mr. Knowles: Mr. Speaker—

Mr. Nielsen: Mr. Speaker, may I have a ruling on the point of order? Is the minister going to be required to table the letters or not?

Mr. Speaker: Subsection 3 of the citation referred to says:

> It has been admitted that a document which has been cited ought to be laid upon the table of the house, if it can be done without injury to the public interest. The same rule, however, cannot be held to apply to private letters or memoranda.

The hon. member for Winnipeg North Centre.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I put a supplementary question to the Minister of Justice. As a non-lawyer but as one sharing everyone's concern that justice be done in this case, may I ask whether the government would consider asking the United States authorities to return this man to Canada until these points have been cleared up?

Mr. Chevrier: Let me say this. The existence of the extradition treaty rests on mutual respect for each other's judicial systems. It has never been the practice for Canadians or Americans to doubt that a fair trial would be given to a Canadian citizen in a United States court, or vice-versa. Under the circumstances it would seem to me that the matter should rest there.

Mr. Douglas: A supplementary question. I want to follow up the question I asked yesterday. While it is true that the alleged crime was committed in the United States, Wasylenchuk is depending for his defence solely on an alibi in which he claims that he was in Burnaby, British Columbia at the time the offence was committed. This will require, if he is to have any defence at all, that Canadian witnesses be conveyed to the United States. This man has been in jail and on parole. He is not likely to have very much money with which to provide for either counsel or witnesses. Would the Department of Justice consider whether assistance could be given by the Canadian government to see that he has proper representation and a fair trial?

Mr. Chevrier: I do not think I can add a great deal to what I said yesterday other than to put it in this way, that should it appear that there is anything the Canadian government can do or should properly do in this matter, the hon. member can rest assured that steps will be taken accordingly.

[*Later:*]

Mr. Nielsen: May I take this opportunity to direct a question to the Minister of Justice. In view of the doubt the house now feels over the Wasylenchuk case, does he intend to allow the Banks trial to proceed without interference?

Mr. Chevrier: I did not hear the last part of the question.

Mr. Nielsen: Can the minister give the house an assurance that he will be allowing the Banks case to proceed without interference?

Mr. Chevrier: I do not think that question is worthy of an answer.

COFFIN CASE—STATEMENT ON REFUSAL TO COMMUTE SENTENCE

On the orders of the day:

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, with reference to the Coffin case I promised that before the house rose I would make a short statement and I have it here. On Tuesday of this week I said I was studying, in co-operation with the officers of the department, what happened prior to the refusal to commute the sentence of Coffin and that I hoped to be able to make a statement in that regard before the adjournment of the house.

Since making that statement I have spent a very considerable amount of time reviewing the file with the officers of the department, and to avoid any misunderstanding I should say that what I have seen so far indicates that representations regarding the significant matters raised in the book, except the incident of the Indian, Thompson, were before the department and considered by it before the decision was taken not to commute the sentence. Nothing I have seen so far has pointed to the desirability of any different kind of inquiry from what I have been making.

The incident concerning the Indian, Thompson, arose, of course, subsequent to the carrying out of the sentence. Nevertheless I cannot say that in the time at my disposal I have been able to go into the matter sufficiently, at first hand, to state a final conclusion. I shall therefore have to defer my definitive statement to a later date. I would hope to have it ready in the not too distant future. I am sorry for this delay, but as I indicated on a previous occasion I believe that the seriousness of the issue requires care rather than haste.

AGRICULTURE

AMENDMENTS TO BANKRUPTCY ACT TO PROTECT PRIMARY PRODUCERS

On the orders of the day:

Mr. E. F. Whelan (Essex South): Mr. Speaker, I would like to direct a question to the Prime Minister. In view of the urgent concern of the producers of primary products in Canada I would like to ask the Prime Minister whether the government can now state its position on Bill No. C-5, an act to protect the primary producers of this nation.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the government has considered the report of the committee on this bill and is prepared to consider appropriate amendments to the Bankruptcy Act to deal with this matter at the next session of parliament.

Some hon. Members: Hear, hear.

HEALTH AND WELFARE

REQUEST FOR INCREASED ASSISTANCE FOR MEDICAL RESEARCH

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to direct a question to the Prime Minister with regard to the request sent to him relating to increased aid for medical research. I have a copy of the letter which was sent to the Prime Minister on December 5 by a number of very eminent professors. I wonder whether the Prime Minister has now seen it.

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker. I regret that yesterday I said to my hon. friend that to my knowledge I had not received it. When I went to my office I found it had come in; that I had received the letter, acknowledged it on December 12, and wrote Dr. Barr, chairman of the institute, that the matter was being given consideration by the cabinet.

CANADIAN BROADCASTING CORPORATION

VANCOUVER—SUGGESTED USE OF FORMER R.C.A.F. STATION

On the orders of the day:

Mr. Ron Basford (Vancouver-Burrard): Mr. Speaker, I have a question for the Secretary of State. On October 18 the minister's office received a brief from the Vancouver branch of the association of television and radio artists complaining of the inadequate C.B.C. facilities in Vancouver, and requesting the construction of a combined C.B.C. radio and television centre. Will the minister arrange for the C.B.C. to conduct a cost and feasibility study on acquiring and converting part of R.C.A.F. station Vancouver, Kitsilano site, into a combined C.B.C. television-radio centre to allow the corporation economically to get out of the five or six inadequate and inefficient locations they now have?

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, the president of the C.B.C. wrote a letter to me after he had heard the announcement made some little time ago by the Minister of National Defence on his estimates, which indicated that this property might be available, to inquire whether the C.B.C. would be given an opportunity to examine the property to see if it would be suitable for their purposes. I communicated with the Associate Minister of National Defence and I believe he, or the officials of the department, have since been in touch with the C.B.C., or are in the process of getting in touch with them, with a view to seeing what would be feasible in this connection.

WORLD FAIR

REASON FOR ATTENDANCE OF OFFICIALS IN OTTAWA

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I have a question for the Minister of Public Works.

Could he tell the house whether the officials of the world exhibition are in Ottawa at the moment, and, if so, for what purpose?

Hon. J. P. Deschatelets (Minister of Public Works): Yes, Mr. Speaker. The operating and capital budgets, together with the master plan, will be submitted to the government during the day; these documents will also be presented today to the Quebec government and to the municipal authorities of Montreal.

Mr. Pigeon: A supplementary question, could the Minister of Public Works tell the house whether Canadians will be allowed to see that master plan?

Mr. Deschatelets: No, Mr. Speaker, at any rate not before it is approved by the government; as I said a moment ago, the plan is being submitted today to the Quebec authorities and, according to the tripartite agreement, it is not to be presented to the city of Montreal before it has been approved by the Quebec government and the federal government.

[*Text*]

Mr. D. M. Fisher (Port Arthur): A supplementary question. I should like to ask the

minister, since today is the day the report is to be tabled in the house, whether he does intend to table it today.

Mr. Deschatelets: No, Mr. Speaker. I think what the hon. member is saying is not accurate, because there is nothing in the provisions of the statute or in the tripartite agreement which obliges this document to be tabled today. It has to be submitted to the government of Quebec and the government here in Ottawa today. After it has been approved by both governments then it will be made public. Of course if the house should be sitting at that time it would be submitted to hon. members before being made public.

CITIZENSHIP AND IMMIGRATION

LONDON, ONT.—APPOINTMENT OF JUDGE FOR CITIZENSHIP COURT

On the orders of the day:

Mr. Jack A. Irvine (London): Mr. Speaker, I should like to ask a question of the Minister of Citizenship and Immigration but I do not see him in the house at the moment. He was here a moment ago. However, perhaps I can address the question—

Mr. Pickersgill: Perhaps I can help the hon. gentleman. The minister's estimates will be coming up a little later in the day and he could ask his question then.

Mr. Irvine: Perhaps I could address the question to the Minister of Justice, who may be able to assist. Would the minister inform the house when a judge is to be appointed to preside over the citizenship court in the city of London, Ontario?

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, as acting minister I will draw that to the minister's attention and ask him whether he could answer the question on his estimates.

NATIONAL DEFENCE

CONVERSION OF CF-104 PLANES AS NUCLEAR MISSILE CARRIERS

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I have a question I should like to direct to the Minister of National Defence. In *Time* magazine of December 20 there is the statement that the CF-104's were expensively converted by the Tories into exclusively nuclear missile carriers. Would the Minister of National Defence confirm or deny that statement? Would he state whether the CF-104's were ever anything but exclusively nuclear missile carriers?

[Mr. Fisher.]

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, the CF-104's have not been. I think what is referred to there is the basic aircraft itself, which has been used in many configurations.

Mr. Crouse: A supplementary question. This statement in *Time* magazine is false, is it, according to the minister's interpretation?

Mr. Hellyer: I will not comment further. When my estimates are up for discussion, if the hon. member would like a little fuller information about the hardware of the CF-104 I would be glad to give it.

[*Later:*]

Hon. Gordon Churchill (Winnipeg South Centre): I should like to ask the Minister of National Defence if he would agree that the CF-104's were built to be nuclear missile carriers and were not expensively converted for that purpose.

Mr. Hellyer: A question was asked on that subject a minute or two ago. I wonder whether the hon. member would be good enough to leave this matter until my estimates are called later in the day, and then I could make a fuller explanation of what was done.

Mr. Churchill: I ask the minister to answer this question with a simple yes or no.

GRAIN

WHEAT—INTRODUCTION OF TWO PRICE SYSTEM

On the orders of the day:

Mr. E. Nasserden (Rosthern): Mr. Speaker, in the absence of the Minister of Agriculture would the Prime Minister indicate whether legislation will be brought forward next session to implement the Liberal pledge of a two price system for wheat?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker.

[*Later:*]

Mr. Nasserden: I have a question supplementary to the one directed to the Prime Minister a few minutes ago in reference to his decision regarding the two price system. Can the right hon. gentleman tell us whether that decision was reached in consultation with the committee of five set up by the Liberal party in the province of Saskatchewan?

Mr. Pearson: That question is not appropriate for the orders of the day, but I am sure the hon. member will join me in the great satisfaction we must all feel that the farmers in the province are getting an income which is at an unparalleled height as the result of sales of agricultural products.

Mr. Nasserden: In reply to my supplementary question, the Prime Minister made certain remarks regarding the income position in Saskatchewan at the present time. This is not the occasion for me to take issue with the right hon. gentleman concerning those remarks, but I should like to remind him—

Mr. Speaker: Order. I am sure there will be an opportunity to expand on those remarks at another time.

TRADE

LUMBER—INQUIRY AS TO REPRESENTATIONS TO U.S. PRESIDENT

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 he has been in communication with President Johnson with reference to the legislation which will shortly come before him for signature requiring that Canadian lumber be marked with a country of origin label. At the same time would the Prime Minister say what representation has been made in this connection to the United States administration, and particularly whether the United States has been informed that if this legislation is approved such approval would be a dark symbol for the opening of world tariff bargaining, beginning in May, because it is evidence of a protectionist stance?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, representations have been made to the United States government on this matter. They were made some days ago by our ambassador to the secretary of state. The Minister of Trade and Commerce is in Washington today, and he is also making oral representations there.

Mr. Diefenbaker: Has the Prime Minister communicated on the "hot line" with the President?

Mr. Pearson: No, Mr. Speaker.

LABOUR CONDITIONS

BRANTFORD, ONT.—DESIGNATION AS DISTRESSED AREA

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct a question to the Minister of Industry. In view of the report in this morning's *Globe and Mail* that a 16 per cent reduction this year in the number of persons seeking work has given Brantford the best employment picture in five years, does the minister still think that Brantford is a depressed area which has need of all the proposed lush tax advantages over the neighbouring cities of Guelph, Kitchener, Woodstock and Waterloo?

Hon. C. M. Drury (Minister of Industry): I do not think either the government or myself have ever classed Brantford as a depressed area. Brantford is part of the national employment service designated area. It was so designated because of high and chronic unemployment, and the statement just quoted from the newspaper would indicate that the policy designed to relieve high and chronic unemployment in Brantford is being moderately successful.

Mr. Nesbitt: A supplementary question. Would the minister be good enough to tell us just when these tax changes went into effect, if they have done so much good?

Mr. Drury: With the adoption of the budget.

Mr. Heward Grafftey (Brome-Missisquoi): Can the minister now guarantee to the house that in future, areas will be so designated only after consultation with the province concerned?

Mr. Drury: I gave such an assurance to the provincial ministers of trade and industry at the recent dominion-provincial conference.

SPORTS

REQUEST FOR GRANT FOR 1966 QUEBEC FESTIVAL

On the orders of the day:

Mr. Auguste Choquette (Lotbiniere): I am as concerned about the "comité des jeux d'hiver" in Quebec as the hon. member for Kootenay West is concerned about the Columbia river in British Columbia. I wish to address a question to my good friend the Minister of National Health and Welfare. Can the hon. lady tell the house when, in accordance with a recommendation by the advisory council on amateur sport and fitness, the committee of the "jeux d'hiver" in Quebec will be told the exact amount of the grant it will receive?

Mr. Speaker: That is certainly a question for the order paper. I think the matter was raised yesterday.

THE CANADIAN ECONOMY

STEPS TO MEET REPORTED INCREASE IN COST OF LIVING

On the orders of the day:

Hon. Paul Martineau (Pontiac-Temiscamingue): I have a question to ask the Minister of Finance. In view of the fact that today's daily bulletin issued by the dominion bureau of statistics shows a rate of growth in the gross national product of 1.3 per cent for

this year, which is less than the rate of increase in the cost of living in the same period, would the minister state what measures the government intends to take to correct this alarming situation?

Hon. Walter L. Gordon (Minister of Finance): I must disagree with the adjective used by the hon. member. I am sure that when he hears the speech from the throne at the beginning of the next session all his anxiety will be relieved.

Mr. Martineau: The minister may disagree with the adjective, but does he disagree with the fact that the cost of living is now increasing at a greater rate than the increase in the gross national product?

Mr. Gordon: That is like trying to compare oranges with bananas. It is not the sort of question or comment I can deal with on orders of the day.

EXTERNAL AFFAIRS

CONVERSATIONS WITH BRITAIN AND FRANCE RESPECTING CHOICE OF PLANE BY T.C.A.

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I want to ask the Prime Minister a question arising out of the answer given by the Secretary of State for External Affairs yesterday which indicated that he approached Sud Aviation on his visit to France in order to discuss with that company the fact that T.C.A. did not choose the Caravelle. My question is based on the assumption that this was on the advice of the Prime Minister. I should like to ask the Prime Minister if the secretary of state was advised to contact Sir George Edwards, the head of the British Aircraft Corporation, in order to explain why T.C.A. did not take the BAC-111.

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is in the same field as the one which was asked by my hon. friend from Port Arthur. It is based on two press reports. One is that the Secretary of State for External Affairs tendered an apology to Sud Aviation in connection with this matter. The other is a report that the government of France is alleged to have interfered in T.C.A.'s problem here in this country. Can the Prime Minister confirm or deny these two reports and, with respect to the latter, if the government of France did interfere how was this done? Was it done through the French embassy in Canada?

Mr. Pearson: There was nothing in the minister's telephone conversation with the gentleman in question in Paris which, it seems to me, could be described as an apology. As far as the second question is concerned, the minister can deal with that. His estimates will be coming up later in the day and he will be able to explain what action, if any, he took.

INDUSTRIAL RELATIONS

CRIMINAL CODE AMENDMENTS RESPECTING PICKETING

On the orders of the day:

Mr. David Orlikow (Winnipeg North): I wish to direct a question to the Minister of Labour. Is the department considering recommending changes in the provisions of the Criminal Code dealing with picketing and secondary boycotting following the decision by Mr. Justice Aylesworth of the Ontario court of appeal which sharply restricts the traditional right of informational picketing?

Hon. A. J. MacEachen (Minister of Labour): I indicated some time ago the attitude of the department toward changes in industrial relations legislation, and nothing has happened since except it is likely that a matter of this kind would be considered in the course of such a review.

NATIONAL REVENUE

COLLECTION OF DUTIES ON LUMBER IN BORDER OPERATION

On the orders of the day:

Hon. J. R. Garland (Minister of National Revenue): Mr. Speaker, on Tuesday last the hon. member for Dorchester requested that an inquiry be made to determine whether all customs duties were being paid in a specific industry. The details are found on page 5988 of *Hansard*. I can tell him that we have complied with the request and I am pleased to report to him that all duties payable are being collected.

HOUSE OF COMMONS

CONSIDERATION OF PAY INCREASE FOR CLEANING STAFF

On the orders of the day:

Mr. Hubert Badanai (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, in reply to the question asked by the hon. member for Kootenay West on December 13 regarding the pay of the cleaning staff of the house, may I say this matter has been investigated and I find that these ladies are employed by the Sergeant-at-Arms and do not come under the jurisdiction of the Department of Public Works. However, I have been informed that an increase for

them from $1.16 to $1.20 an hour, dated back to May 1, has been approved, and it is hoped they will receive their back pay before Christmas day.

Mr. Douglas: Is it Santa Claus or Scrooge who brought that in?

REPORTED OVERCROWDING OF PRESS GALLERY

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, at this time of brotherly love and good feeling I should like to ask the Prime Minister whether his attention has been drawn to certain evidence given by Mr. Arthur Blakely regarding overcrowding in the press gallery, with regard to which I am advised he said that the overcrowding is of such a nature that it contravenes the factories act. Is the government giving any consideration to providing further facilities in this connection so that the gentlemen and ladies of the press will not find themselves under such stringent restrictions as the lack of space today imposes?

Right Hon. L. B. Pearson (Prime Minister): Mr Speaker, I am grateful to my hon. friend for bringing this matter to my attention. I recall that when we were in opposition we were asked to intervene in this matter month after month for five or six years, and immediately we took office we decided something should be done about it. We are trying to decide now exactly what can be done.

Mr. Diefenbaker: So that in these days of decision the matter is receiving consideration?

Mr. Pearson: Yes, Mr. Speaker, and it will not take five years.

Mr. Pigeon: Use the Senate.

Mr. Diefenbaker: You will not be here by that time.

ROYAL CANADIAN MOUNTED POLICE

ACTIVITIES IN LABOUR DISPUTE AT GRANDE PRAIRIE, ALTA.

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, the Minister of Justice has twice promised to make a statement with reference to the complaint I brought to his attention from the international woodworkers regarding the alleged use of the R.C.M.P. in strikebreaking activities at Grande Prairie, Alberta.

Hon. Lionel Chevrier (Minister of Justice): That is true, Mr. Speaker, and I have the statement now. The question posed by the hon. member for Burnaby-Coquitlam on December 17 relates to the strike which took place at Northern Canadian Forest Industries Limited, Grande Prairie, Alberta. Strike action was taken on August 7 by the union, the I.W.A., after conciliation processes failed to reach an agreement.

The strike ended approximately November 6. During the time the strike was in effect there were two incidents as a result of which court action was taken. On October 18 a group of strikers stopped a truck driven by a private sawmill operator who was moving wood to the plant, and they threw off half his load. The owner of the truck recognized four of the strikers and he preferred charges against them for mischief. These cases are still before the courts. On November 6 the owners of Northern Canadian Forest Industries Limited saw two men breaking windows in the plant, and the owners laid charges against the two men under the provincial petty trespass act. At no time were the R.C.M.P. involved in any alleged strikebreaking activities.

I should point out that in the province of Alberta the R.C.M.P. police the province under contract and are responsible to the attorney general of the province. Similarly, the town of Grande Prairie is policed under contract by the R.C.M.P. who are responsible to the municipal council.

Mr. Baldwin: The city of Grande Prairie.

Mr. Douglas: Before the minister leaves the Grande Prairie case, may I ask him whether the R.C.M.P. were used at any time to conduct strikebreakers through the picket lines?

Mr. Chevrier: The answer I have from the commissioner is in the negative.

CANADIAN WORLD EXHIBITION CORPORATION ACT

AMENDMENT RESPECTING NUMBER OF DIRECTORS, SALARIES, ETC.

Hon. J. P. Deschatelets (for the Prime Minister) moved that the house go into committee to consider the following resolution:

That it is expedient to amend the Canadian World Exhibition Corporation Act to increase the number of directors of the corporation by two and to provide for the expenses of the said two directors; to authorize the corporation to pay to the commissioner general and to the deputy commissioner general such allowances as are fixed by the governor in council; to establish an executive committee of the board consisting of three directors in addition to the commissioner general and the deputy commissioner general and to authorize the payment of remuneration by the corporation to the said three directors; and to make further changes in connection with the administration of the act.

Mr. Pigeon: Mr. Speaker—

Mr. Pickersgill: This is not debatable.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, may I have two or three minutes to say a few words on this resolution?

[*Text*]

Mr. Pickersgill: On a point of order, Mr. Speaker, it is not debatable until the chairman is in the chair. It is not debatable at this stage.

Mr. Diefenbaker: Is this the resolution?

Mr. Pickersgill: It is the resolution.

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

Mr. Deschatelets: Mr. Chairman, I am wondering whether hon. members would not agree to pass the resolution stage so the bill can be distributed. Then we will be able to discuss all the particulars of the bill.

Mr. Diefenbaker: Mr. Chairman, I think there are questions that require to be answered—

Mr. Knowles: Louder.

Mr. Diefenbaker: —and if we proceeded to the second reading of the bill some hon. members might not be allowed to ask the questions they wish to ask. I am agreeable to trying to restrict the time taken on the resolution stage, but I believe there are a number of questions some hon. members want to ask. If we can get them cleared away we will be able to pass the resolution and proceed to second reading of the bill.

[*Translation*]

Mr. Valade: Mr. Speaker, before we proceed with the study of the bill and while we are still at the resolution stage, it seems to me it would be appropriate for the Minister of Public Works to make a statement concerning some problems which are being raised in relation with this measure to amend the world exhibition legislation.

I should like to put a few questions to the Minister of Public Works, and I hope he will be able to answer them so as to enlighten the people on the many problems that have come up in these last four months, or more, with regard to the world fair.

First, I should like to ask the Minister of Public Works what are the reasons which prompted him to defer the official decision pertaining to the choice of the present site.

I also asked sometime ago whether the minister was aware of the technical problems involved in the filling of Notre Dame island. It seems to me that it would be in order for him to tell us how it is that instead of removing daily about 20,000 cubic yards of filling material from the bed of the river, only 3,000 cubic yards are taken out, which does not seem to be consistent with the reports given to us these last weeks about the possibility of handing the land over to the corporation by June 1964, as provided by the act.

I should also like to ask the minister whether the bill is now before us merely in order to increase the salary of the members of that crown corporation, or if the amendment is intended to extend its administrative framework?

I think that it would be in order also for the Minister of Public Works to assure us that this amendment to the Canadian World Exhibition Corporation Act is not another excuse to open the door to patronage, for it has been noticed for some time that several appointments have been made in favour of persons who are very close to the President of the Privy Council (Mr. Lamontagne) and, moreover, those persons have been seen with him during the official proceedings to receive the new commissioner general.

Moreover, I should like to get an answer from the minister to the following question. We have been trying for four months already to know what salaries will be paid to the commissioner general and to his deputy.

Mr. Chairman, those are all questions that must be answered.

I wonder what prevented the Prime Minister (Mr. Pearson) and the Minister of Public Works (Mr. Deschatelets) from telling us until now what will be the salary of the commissioner general.

The minister has assured us on several occasions that we were going to receive this information within a few days. This question goes back to July of this year. Nearly five months have elapsed since, and we have not received the expected answers.

Mr. Deschatelets: The hon. member for St. Mary has raised five questions which I will try to answer as briefly as possible, while trying at the same time to give him satisfaction.

As far as the allegations that there has been a delay in the selection of the site are concerned, I must state that there has been no delay. The former prime minister, in a wire which he sent in March 1963, admitted in principle the selection of the present site.

Likewise, we have confirmed the same choice in May. We said that we reserved the right to acknowledge formally the selection of this site as soon as the engineers' report would have assured us of the feasibility of holding the exhibition on that site. In July, we received a report from the Lasalle laboratories and, two or three days later, we came to an agreement with the province and the city of Montreal.

I must point out to the hon. member for St. Mary that the municipal engineers of Montreal, who are paid by the city, imposed two conditions concerning the present site, that is the building of a breakwater upstream from the Champlain bridge and of a sill downstream.

Consequently, we discussed the matter with the engineers and, as I said a moment ago, we signed an agreement only two or three days after we received the report. So there was no delay in making the decision.

As for the difficulties which the city of Montreal is encountering in connection with the filling operations which are being carried out on St. Helen's and Notre Dame islands, I must say to my hon. friend that I am aware of that fact just as well as he is or anybody else because there has been mention of it in the press. However, this matter is covered by a tripartite agreement among the province of Quebec, the city of Montreal and the federal government. Under the agreement, the city is to deliver the present site by June 1964. It was to be expected that there would be difficulties.

The hon. member must know that, only two days ago, the mayor of Montreal again confirmed that the site would be ready on time. Let us leave it to the Montreal authorities to provide the site and to respect the commitments made.

With regard to the bill now before us, it does not provide for any fundamental amendments, though it involves amendments of some importance. The purpose of this bill is to amend the title of the act and the reference to the site of the exhibition, so as to specify that it will not necessarily be located on the island of Montreal. Third, it provides for the establishment of an executive committee, for an increase from 12 to 14 in the number of directors, and for the allowances payable to the directors, the commissioner general and the deputy commissioner general.

There is also a clause dealing with the retirement of employees. Another clause is meant to protect the symbols referring to the exhibition, which must remain its property in order that they may not be used for general business purposes. When my hon. friend referred to the increase of directors from 12 to 14 he said a word about the possibility of patronage. I can reassure him because when I met the former commissioner general, Mr. Paul Bienvenu, as well as his successor, Mr. Dupuy, I clearly explained to them that we expected that the heads of the exhibition would organize an exhibition worthy of Canada and that we were leaving them the entire responsibility of the administration.

I can say that all appointments were made by the directors of the fair and we did not make any suggestions. The only intervention by the government is about the appointments to be made only by the governor in council.

With regard to the salary of the commissioner general, there is nothing unusual about that. If I was unable to give the hon. member an answer until now, the same holds true today. The commissioner general of the fair is still on the establishment of the external affairs department, he is still our ambassador to Paris, but I can tell my hon. friend that the matter will be settled in January.

On the other hand, I can give an answer immediately to the hon. members about the salary of the deputy commissioner; I speak from memory and if my reply is not accurate, I will correct myself in a while after consulting my officials.

The deputy commissioner general will receive a salary of $35,000 a year.

I think that takes care of the questions of the hon. member.

Mr. Valade: Mr. Chairman, I have a supplementary question to ask the Minister of Public Works.

Can the minister explain why the appointment of Mr. Pierre de Bellefeuille as assistant to the director of public relations, Mr. Beaudry, was announced through the newspapers?

It seems that Mr. Beaudry's office was completely unaware of that appointment and learned about it in the newspapers.

I have nothing against Mr. de Bellefeuille. I am merely wondering why his nomination was announced by the newspapers before the exhibition corporation knew about it and only a short while after it was officially confirmed by the government.

The minister said that the amendments to the act are to increase the number of directors from 12 to 14. I should like him to tell us why, instead of changing the structure of the board of directors, it could not be possible, if additional staff is required, to simply hire in the usual way the staff required for the administration.

I would also have liked the minister to deal a little longer with the reasons which led to the resignation of Messrs. Paul Bienvenu and Carsley. I come back on that point because the minister is aware of the fact that Mr. Paul Bienvenu had sent his resignation to the Prime Minister of Canada during the month of July and when I asked a question on July 18, asking whether it was true that Mr. Bienvenu was about to resign, the Prime Minister replied that there was nothing true in those allegations and that everything was fine and dandy; yet, he had in his hands a letter dated

July 8 to the effect that Mr. Paul Bienvenu had informed him of his intention to resign.

Therefore, the Prime Minister's answer was inconsistent with the facts, and I think the Minister of Public Works has the responsibility to set things straight.

I take this opportunity to congratulate Messrs. Paul Bienvenu and Carsley for their tremendous and admirable effort while they were in office. Besides, statements of appreciation were published in every newspaper.

I should like to point out to the house that Messrs. Paul Bienvenu and Carsley accepted to work without pay or indemnity while the deputy commissioner will receive a $35,000 salary, and we do not yet know what the chief commissioner's salary will be.

I think it is quite illogical for a crown corporation to hire someone without even knowing if a salary will be paid to him and to make him work without knowing whether he will be paid or not.

Mr. Chairman, I feel that both the house and the public should know the amount of that salary and the terms of employment.

I am of course very happy about the appointment of Mr. Dupuy and of his deputy, for they are both very able men; however, I would like to get more precise explanations as to the reasons which prompted Messrs. Bienvenu and Carsley to resign; I am also curious to learn why the Prime Minister (Mr. Pearson) and the Minister of Public Works have given us such evasive, and even inaccurate answers?

Mr. Deschatelets: Mr. Chairman, the hon. member for St. Mary (Mr. Valade) has asked five questions, which I am quite happy to answer.

As to the appointment of Mr. de Bellefeuille, I understand that he will have nothing to do with public relations. I believe his official title is something like "director of the exhibitors". As for his appointment, I must say that before it was made, I got a letter from the world exhibition authorities, recommending that Mr. de Bellefeuille be given the position of director of the exhibitors.

Having looked into the bylaws, we pointed out to the fair directors that they were under no obligation to consult the government as to that appointment, which fell under their jurisdiction, and that the governor in council appoints only the commissioner general and his deputy.

It was after that exchange that Mr. de Bellefeuille was appointed, and the federal government had nothing to do with that appointment. I am happy to say that we are delighted with Mr. de Bellefeuille's appointment; he is a very able man, and we feel that he will do an excellent job.

Concerning the appointment of two additional directors, I think this is very important. It was pointed out that under the former organization, various regions of the country were not represented, so as to give that organization a national character. Now, as this will not be a Montreal or a Quebec exhibition but indeed an exhibition which must be an accomplishment of the whole of Canada, the government thought it appropriate to appoint two more directors, in order to give the organization a more adequate national representation.

As to the actual reasons for the resignations of Messrs. Bienvenu and Carsley, I must tell the house that I have nothing to add to the letters of resignation which were handed in to the Prime Minister some months ago. Furthermore, I believe Messrs. Bienvenu and Carsley gave information to the press in addition to that contained in their letters.

I agree with my hon. friend that these were resignations that caused much regret in all circles, and I should also state that I wrote a personal letter to Messrs. Bienvenu and Carsley, with whom I was well acquainted, not only to express my regrets but also to tell them how much the government appreciated the work they had accomplished since the laborious beginnings of the exhibition.

Mr. Chairman, I do not speak this way because the previous government was implied or because the former prime minister was responsible for the establishment of that organization. It is normal that the beginnings of an undertaking such as the world exhibition should be complicated and difficult; but once the organization has taken shape, so to speak, the task becomes much easier.

Mr. Chairman, the hon. member for St. Mary stated that the former commissioner general and his deputy had offered their services free. That statement is true, and I believe that this has not been sufficiently known in the public. I am glad the hon. member has brought this up, so that the public at large will know that Messrs. Bienvenu and Carsley had no other ambition than to help their country by placing their wide experience at the service of the Canadian people free of charge.

But today, the situation is different. The commissioner general and his deputy have to face a tremendously difficult job and we thought it fair, in the circumstances, that both of them be paid. Actually I think that neither the hon. member for St. Mary nor any other member will want to question the fact that a reasonable salary should be paid to people who now have to work from 15 to 17 hours a day.

Mr. Chairman, I think that I have dealt with all the questions of the hon. member for St. Mary. If I have overlooked certain points, I am sure that he will raise them again.

[*Text*]

Mr. Howard: Mr. Chairman, I do not desire to ask any particular questions of the minister, but rather to make some comments and express my view that this resolution and such a bill—because we have now seen the bill and therefore have more knowledge of what is in the government's mind than would ordinarily be the case—should be opposed. I for one want to indicate that I have grave doubts and reservations about proceeding any further along this line that we have been following in the last few months since the passage of the original act.

Because of the progress that the resolution, and the bill which will follow, have had in the house so far, it seems to me there is some reluctance on the part of the government itself about this measure; because in the first instance the bill was introduced improperly, as Mr. Speaker ruled, and surely the extreme knowledge which the members of the cabinet, especially the Secretary of State, have about the rules should have warned them that the bill was going to be out of order on the grounds that is was not preceded by a resolution. Following upon that, the various delays that have taken place in calling this resolution indicate even more strongly to me that the government is not that anxious to participate in the particular project which will take place.

It was originally conceived that this would be a Canadian project, expressive to an extent of the Canadian viewpoint, and to coincide with our one hundredth birthday in 1967. In fact the speeches made in the house on the occasion of the passage of the original act reflected this desire for Canadianism, Canadian participation, and that a national concept be shown in the world fair itself, but unfortunately it has degenerated from something of a national scope to something not only provincial in nature but almost restricted to a city.

Even the *Hansard* index, which all hon. members have, indicates this; because in the index, if you look under the heading "Canadian World Exhibition Corporation" you will find a subheading which says "Montreal", and under the heading "Montreal" there are listed the references to the world fair. That is where you find all the references, not under "Canadian World Exhibition Corporation" but under "Montreal world fair".

While the goal may initially have been Canadian, I submit primarily that the force behind this concept is that of Quebec and the pressure is that of Mayor Jean Drapeau of the city of Montreal, who incidentally, I understand, is a gentleman who absolutely detests those of English background and those who speak the English language, and this is regrettable and unfortunate.

I have reservations about supporting this measure because if all the indications we have had in the past are carried out, then this to me is not a national project or something which would reflect the concept of Canadian expression, or full Canadian participation in the fair. Primarily it is to be a sort of monument to the mayor of Montreal himself, and the minister has said that the expansion of the directors from 12 to 14 was designed to deal with this problem and make the fair more national in scope and application. But even though the number of directors is to be increased from 12 to 14, half of them are going to be chosen specifically and directed by the lieutenant governor of the province of Quebec and the other seven are to be chosen by the governor in council, presumably to give a more national application to this particular organization.

Mr. Deschatelets: Would my hon. friend permit me one remark at this point. On reading the measure, it is true that seven directors will be chosen by the lieutenant governor of Quebec and seven by the federal government, but there was an understanding that the province of Quebec will choose one director from among the present directors, so this will leave to the federal government two directors to be appointed, and then it will be possible for us to have certain regions of the country represented on the board of directors.

Mr. Howard: That information is revealing, not only for what the minister said but for what he did not say. If that is the intention, why does the bill not say so? I do not think the rest of Canada wants the lieutenant governor of Quebec to appoint someone to represent it. I am sure the premier of British Columbia would not want the lieutenant governor of Quebec to appoint a director to represent the region of the west coast. That is the implication behind what the minister said.

Mr. Deschatelets: I think it is worth while that we be very clear about this. Under the existing regulations there are six directors appointed by the lieutenant governor of Quebec and six directors appointed by the governor in council, which is the federal government. Now, with this amendment it would be possible for the governor in council to appoint two additional directors. The present directors will stay on, but there will be two

additions to the board of directors, and it is the responsibility of the governor in council to appoint them. The lieutenant governor of Quebec will have nothing to do with these two additional directors.

Mr. Howard: The minister says the lieutenant governor of Quebec will have nothing to do with these two additional directors, but the bill says, if I may be permitted to refer to it:

(2) Of the fourteen other directors referred to in subsection (1), seven shall be appointed on the recommendation of the lieutenant governor in council.

Mr. Deschatelets: This is true.

Mr. Howard: And there are seven left to be appointed by the governor in council.

Mr. Deschatelets: Not seven. If the hon. member will permit me, there are today 12 directors. Six have been appointed by Quebec and six have already been appointed by the federal government. The purpose of this bill is to permit two additions to the board of directors. I agree that this information does not appear in the bill, but there was an understanding with the province of Quebec that they are going to take their additional director from among those now sitting on the board of directors, so that we will have two to be appointed by the governor in council.

Mr. Marcoux: Would it be possible to pass the resolution first so we can be supplied with the text of the bill? We are discussing the bill and we do not have the text.

Mr. Howard: If the hon. member looks at Bill No. C-120 he will find that is the bill that is already before us because, by a special ruling of the house, it was maintained on the order paper. Now, the minister says this does not appear in the legislation, but if that is the intention why does it not say so? I do not like these arrangements with Premier Lesage or anybody else in Quebec, or in any other province, that such things are understood. If this is the intention the bill should say so, without leaving it to agreements reached between the minister and somebody else.

Whether these two additional directors are appointed by the governor in council or not, does not change the attitude that this is a Montreal-Quebec affair and not a national affair, no matter how many words are used to dress it up.

Another objection I have to the world fair, so-called, is that there have been a great many illegal activities taking place with respect to this bill and the world fair site. The original act stated clearly and unequivocally:

—there shall be held in Canada, on the island of Montreal for a period of six months in the year 1967—

[Mr. Deschatelets.]

And it goes on to say what shall be held there, but I point out that it says:

—there shall be held...on the island of Montreal

a certain event, a world fair.

It is not going to be held on the island of Montreal.

Mr. Deschatelets: Partly.

Mr. Howard: Partly. You can drive a car out to the approach to a bridge, perhaps, to get to some other place, but the world fair will not be held on the island of Montreal. Anyone who has paid the slightest attention to the matter knows that. In fact the city of Montreal, through Mayor Jean Drapeau, arranged for a special advertising supplement in the New York *Times* earlier this year in which throughout there was reference to Ile Ste Helene as being the site of the world fair. The island of Montreal was completely disregarded. The law was disregarded. As far as I am concerned the law was broken.

To draw additional attention to the matter I have here a publication which, while it is not a government publication, none the less gives an indication of what is happening. This is the *Alcan News* of October, 1963, and it refers to the birth of a world fair. It says:

Although the publicity drums are beating loudly these days for a "world fair" to be held in New York next year, Canadians are well aware that the next officially-recognized international exposition of this type will be held in their country during 1967. It will be located on a group of islands in the St. Lawrence river opposite the city of Montreal.

Then there is reference to a contract having already been let to Royalmount Construction Limited, which has 90 days to complete the job of creating a man-made island. There is the indication there that it is not the island of Montreal which is to be used, that the statute has been violated and that illegal activities have been taking place there.

I also have before me something which I am sure other members have received, owing no doubt to the season. It is a Christmas greeting, I suppose, although it does not say it is. It is from Mayor Jean Drapeau, mayor of Montreal, and Mrs. Drapeau and a Mr. Lucien Saulnier, who is chairman of the executive committee. I presume that is the executive committee which we are about to establish.

Mr. Deschatelets: No, it is not.

Mr. Howard: Well, it is the chairman of the executive committee; and these people and Mr. Saulnier send their best wishes. I am merely indicating who this is from.

Mr. Valade: It is the city of Montreal.

Mr. Howard: Very well. It also says:

On August 12, 1963—

That was when the statute was in effect which said that this world fair would be on the island of Montreal—

—were officially inaugurated the works to enlarge St. Helen's island and create Ile Notre Dame, site of the 1967 universal and international exhibition to be held in Montreal on the St. Lawrence.

Included in these Christmas greetings is a beautiful coloured picture of St. Helen's island.

Mr. Deschatelets: I am glad my hon. friend says it is beautiful.

Mr. Howard: Oh, yes. I have a great liking for photographs which depict things correctly. If I can go further into it, as the minister is interested in beautiful pictures, in the *Alcan News* there is another beautiful picture of a dike which has been built around the upper end of St. Helen's island, and a pit where fill will go to create this artificial or man-made island. But throughout the mayor of Montreal, Jean Drapeau, has made a fool of the federal government. Indeed, the federal government is asking parliament to participate in this foolery, to participate in making a fool of itself by creating a monument to the mayor of Montreal, when we should be talking of creating Canadian activity for the operation of the world fair generally. I am not disposed to give passage to this sort of activity.

Mr. Diefenbaker: Mr. Chairman, there are a number of references I want to make to this matter. I begin by saying to the minister that I like the way in which he answers questions. Whatever question is asked him he shows the disposition to answer, which is at all times commendable and the more so when it is so unique among hon. gentlemen opposite.

[*Translation*]

Mr. Rinfret: The member for St. Mary (Mr. Valade) has undoubtedly heard that—

[*Text*]

Mr. Valade: He is the only one.

Mr. Diefenbaker: However, there are always exceptions, as the hon. member for St. Mary has pointed out, and it is to the exceptions that I intend to direct my attention. In the first place I am going to refer to the bill, if I may, because it has already been spoken of by the minister. He stated a moment ago that the two directors to be appointed would be appointed by the governor in council. But the bill does not say that; the bill says the very reverse. Clause 3 (2) says:

Of the fourteen other directors referred to in subsection (1), seven shall be appointed on the recommendation of the lieutenant governor in council.

I think a change will have to be made in this regard. An amendment will have to be made so as to bring this section into line with the arrangements which have been made by the minister with the government of Quebec.

We are facing a very difficult problem. I think there has been gross delay on the part of the government in connection with launching the world fair. Canadians as a whole have a great stake in national prestige to assure the success of this project. No one yet knows what the total expenditure will be. There has been an estimate of $585 million as the total cost, an estimate I think made by Mr. Bienvenu some months ago. I feel we should receive very full information on this matter before passing the bill which will be before us following passage of this resolution.

This fair is to be representative of Canada. It is not a sectional fair, and that has been so recognized both by the province of Quebec and by the mayor and council of the city of Montreal. There is no question in my mind about the desire of the government of Quebec and the capacity of that province, with the rest of Canada, to make this fair a monument to confederation, a monument to better understanding between the races. That monument is to mark a new era of progress in national unity. But those objectives will not be attained by the haphazard, zigzag courses which are being taken since this government assumed office.

Mention has been made of the statute; that it provided for this fair to be sited on the island of Montreal. I recall very well discussions taking place in this connection when I was prime minister. I agree quite frankly, on the basis of the representations and views of the government of the province of Quebec and of the corporation of the city of Montreal, that a change in this regard would be desirable. But I pointed out that any action in this respect must result and stem from a statute passed by parliament. I can understand the delays which have taken place to provide for the amendment required to establish as the site of the fair St. Helen's island rather than some other location on the island of Montreal.

Mr. Deschatelets: Would the right hon. gentleman permit a question. Would the right hon. gentleman not admit that his government passed an act unanimously approved by parliament on December 20, 1962? This was seven months, or many months, before approval was given to the site. Does not this contradict what the right hon. gentleman has already said?

Mr. Diefenbaker: Very definitely not. There were discussions which took place then on the passage of the legislation. In the month of March representations were made that on the basis of full consideration of all the elements, the appropriate place would be St. Helen's island. I made it clear that because of the suggestion made by the secretary general, the assistants and the directors, with the concurrence of the government of the province of Quebec and of the city council of the city of Montreal, legislative amendments would be brought before parliament so as to give parliament the opportunity to make that alteration. But what has happened is this. The present government has been in office since April 22, and parliament has been sitting fairly steadily since May 20. During all this time work has been proceeding which is totally illegal, unlawful and beyond the rights of those carrying it out. I found it passing strange that the Prime Minister of Canada should be attending the opening ceremonies on an island which, as yet, has received no designation from parliament.

I agree as to the necessity of the change, but as to the action so far taken, which has been to proceed without proper authorization, I would point out that the executive has no authority to act contrary to the statute, that parliament is supreme in these matters. We are in favour of the amendment, but I am pointing out that every action taken to date has been legally improper and totally beyond the authority given by parliament.

To say this in no way detracts from the fact that every support will be given by the opposition to changing the location on the basis of the verbal arrangements made and the subsequent confirmation of the site by the present government. Nevertheless, the action taken to date by the government and its representatives has been altogether beyond the rights of those concerned. I know that the Minister of Public Works, who is an excellent lawyer, will be the first to agree that what has been done has been illegal. He affirms that. Parliament is now being asked—

Mr. Deschatelets: On a question of privilege. Because I am an excellent lawyer I would like to raise a question of privilege. I have never admitted that anything that has been done so far has been done illegally. Now I should like to ask the right hon. gentleman a question. Is he able to cite me one case or any undertaking since last April which is not permitted or authorized either by the act which was passed during the time of his administration or by the tripartite agreement? I would like him to give me one example.

[Mr. Deschatelets.]

Mr. Diefenbaker: In the first place may I say that when the hon. gentleman bowed his head in a vertical position, I took it as a sign of approval. Apparently the hon. gentleman follows the custom in Nepal, I think it is, where the elevation of the head in a vertical position expresses a negative.

Mr. Nicholson: I think the right hon. gentleman mistook the nod which was given in recognition of the statement that my hon. colleague is an excellent lawyer.

Mr. Diefenbaker: No, no one with the innate modesty of the minister would have gone as far as to indicate approval of that, much as he may have felt it within his soul.

May I call it one o'clock?

It being eight minutes after one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2 p.m.

Mr. Diefenbaker: Mr. Chairman, lest there be any misunderstanding, I assure you and all members of the house that the evidence just displayed of there being unity between the Secretary of State and myself was purely coincidental.

Mr. Pickersgill: I will second that.

Mr. Diefenbaker: Mr. Chairman, before the adjournment I was dealing with the problem created by the delays, and had mentioned the very lengthy delays and the fact that whatever work has been done on this location, ratified as I know it will be by parliament, is none the less illegal and improper. The government should have brought in this legislation immediately the session was under way, and if it had done so what has taken place subsequently would not have occurred.

There are one or two other observations I want to make. We want to get information. Today we received information as to the salary that the associate director is going to receive, but we have had no information as to what the director is going to receive. Naturally we are all very anxious to bring this session to a conclusion, and the easiest way to do that is to furnish information. The government is in a position to furnish that information, and must have available to it knowledge of the amount that will be paid the director general.

In that connection I want to mention Mr. Bienvenu and Mr. Carsley. These men accepted their positions because of their belief that by doing so they could do something worth while on behalf of their country. They

asked no fee; they asked no salary. When asked to serve they simply agreed to do so. We should have the information I have mentioned.

We should also have information as to the total expected expenditure to be made on this fair. I do not want to reiterate what I have already said, but this fair cannot fail. To allow this fair, representative of this nation, even to enter the spectrum of failure would give to Canada a black eye internationally. In that connection I want the minister to let us know how many nations have agreed to participate. Months have gone by. Is it a fact that so far only two nations have agreed to send exhibits?

The next question I ask is this. Is there any foundation for the widely spread rumour that the government has in mind the possibility of postponing the date of the fair from the year of the hundredth anniversary of this nation to a later year? I hope there is no foundation for that. To do so would be to follow a course of defeatism and despair, and would give our country a reputation that would be far from favourable.

I would also point out that a few weeks ago information was sought in the house by the hon. member for St. Mary. He has been asking for information, as has the hon. member for Joliette-L'Assomption-Montcalm. None has been forthcoming. There has always been the suggestion that if you just wait in hope and expectation you will ultimately be given information. Certainly there has been no application of the principle, ask and ye shall receive, when it comes to information in connection with this fair.

I ask this question. Will Mr. Pierre Dupuy give up his position as ambassador? There was a suggestion that this matter might be resolved in the month of January. I have a great regard for Mr. Pierre Dupuy. As a matter of fact I made the recommendation that he be ambassador to France following my experience with him in Rome in 1954 when he was ambassador there. I found there was nothing he would not do to make Canadian visitors to Italy welcome, and would personally do everything possible to make their stay convenient. I found him a very wise counsellor and I was greatly impressed by him. But he cannot do two jobs.

When listening today to the Minister of Justice speaking of when we might get information in regard to a case in British Columbia that received consideration in the house this morning, I saw in his eyes that glow that indicates that an ambassadorship may well be the resting place of the Minister of Justice. If that be so, I would say that Canada would be better represented there by him than it is in his occupancy of the position of Minister of Justice. I do not know whether that vacancy is going to take place, but I am just trying to find out. I am not seeking information as to identity at the moment, but no one can deny me the speculative right to contemplate the possibilities of a final resting place being found.

I should also like to secure some information that has been asked for and promised over and over again. What are the expected fair costs? I refer to an article that appeared in the press on October 10, in which it was stated that Mr. Shaw, the deputy commissioner general, was bubbling with appreciation of the site and disclosed certain things in an interview. The article points out that Mr. Shaw is a good humoured man and tries to answer all questions put to him. He did not appear to know definitely, but he did say that within a matter of six weeks the costs of the fair and the estimates would be available. The Minister of Public Works himself, having been asked a similar question in the house, also stated that full information would be available by December 20. I would ask the minister to place before the house, first in general and then in particular, the developments that the fair directors have in mind, the cost of each of the several items, and the extent to which any advances towards the building of these fair devices have been attained.

These are some of the matters upon which information has been requested. We have not been able to get anything but generalities, and the time has now come when the house and the country should be assured, finally and absolutely, that this fair is going to be a success; that it is going to achieve the objectives and purposes that the government in which I had the honour to be prime minister had in mind when it made the application on behalf of Canada to secure this fair.

It is well for the record to go back and review, very shortly, something of the course taken. It was in 1958 that the late Senator Mark Drouin suggested, when he was at the Brussels exhibition, that Canada might hold a fair in 1967 to coincide with the centennial celebrations. In 1959 the Montreal chamber of commerce prepared a brief. In 1960, on February 10, I announced that Canada would apply to I.B.E. for the fair; that Ottawa would guarantee $20 million, Quebec $15 million and the city of Montreal $5 million. On March 7, 1960 Canada was informed officially that Russia would apply for the 1967 fair to commemorate the fiftieth anniversary of the communist revolution. We tried very hard to secure the fair at that time. On May 5, 1960 the U.S.S.R. on the fifth ballot received a

majority of the votes in the meeting of the I.B.E. In 1961 the U.S.S.R. decided it would not go ahead.

Once more a movement began for a new application. In June, 1962 Premier Lesage confirmed the provincial promise of $15 million. On September 7 the then government announced it would apply for the fair. On November 13, 1962 the 1967 exhibition was awarded to Canada by the international bureau of expositions. There have been many articles on the subject pointing out the delays that have taken place since April 21. There was an exhaustive article by Mr. Bernard Dufresne of the gallery, which appeared in the *Globe and Mail* on August 30. It reads as follows:

> When things go wrong in French Canada they say, "Ca ne tourne pas rond." A rough translation could be "The wheels are turning off centre," but the best idiomatic equivalent is: "Things are in a mess."

I hope there is no foundation for the fears expressed in that article and that the minister will set out in detail what the plans are, how far progress has been made, and what will be the total amount of expenditure for Canada. What is the consensus as to the buildings that are to be erected? We should like to know, before we leave here, if this legislation is amended as requested, what advances will be made toward the attainment of that objective which must be dear to the hearts of all of us, namely the success of the fair. I have seen a fine spirit of co-operation between the provincial government and the mayor and corporation of the city of Montreal. I hope the same co-operation will be available to the federal government. However, there has been nothing yet to indicate a recognition that time is of the essence and that action must be taken.

As for regularizing what has been done illegally in starting the work on St. Helen's island without amending the act of parliament, that is passed now. I do not like to see legislation after the event. It is the kind of retroactive legislation that has inherent in it dangerous possibilities. However, the work has been done. We intended, when we were in office, to introduce legislation, but the exigencies of elections brought about a change which denied that legislation. This government followed the views we had expressed in the months of February and March and made a decision that the St. Helen's island site would be the one. However, they did not bring legislation before parliament. I ask, what was the reason for the delay? I cannot understand it. There has been legislation brought before us of little or no consequence, while this is of the utmost importance to Canada. Canada will suffer an international degradation, a national loss of prestige that this parliament and the Canadian people cannot possibly dissipate.

I want to say again that I hope the minister will give us the facts and answer these questions. Let us know how much is going to be paid for holding this fair. Let us know what is going to be expended. What are the plans? He could have gained the co-operation of all members and brought on the activity that has been lacking if he had introduced this amendment rather than sitting back and holding this important legislation to the last minute of the last hour of the last two days of this session.

[*Translation*]

Mr. Deschatelets: Mr. Chairman, I think I can count on the house's permission at this time to answer the hon. member for Skeena (Mr. Howard) and then the Leader of the Opposition (Mr. Diefenbaker).

I listened with some dismay to the comments of the hon. member for Skeena.

Surely, the hon. member for Skeena is aware that we shall soon be celebrating Christmas and the new year and wishing for peace on earth and good will to men, and I do not exclude the hon. member from the group of men of good will. However, when he comes back for the next session, if he reads over and meditates on what he said this morning, I do not think he will care to repeat it. I am sure of that and I do not wish to reply in detail to everything he said.

The right hon. Leader of the Opposition referred to co-operation between the federal, provincial and municipal governments. He recognized that such co-operation existed and was essential to the success of such a gigantic undertaking as the world exhibition, where the prestige of Canada is at stake.

[*Text*]

I would like to refer immediately to a few points raised by the Leader of the Opposition. As far as the allegation of delays is concerned, I wonder whether the Leader of the Opposition is in a position to state clearly what he has in mind. I have followed this undertaking since the month of April, and last May we confirmed approval in principle of the site of the fair. If the Leader of the Opposition had been the head of the government from April to July, I am sure he would not have come to an effective agreement with the province of Quebec and the city of Montreal to begin the work without there having been proper surveys and studies carried out by engineers. In fact, Mr. Chairman, the city of Montreal knew only in July that the site was a feasible one. They did not know this until they received the report of the Laboratoire Lasalle

after innumerable studies had been made, and then the three governments were in a position to examine this report and take proper steps.

I repeat what I said this morning. In the same week that the final report of the Laboratoire Lasalle reached my office, an agreement was made with the city of Montreal and the province of Quebec. I again say that I reject any allegation of delays as far as we are concerned.

Mr. Diefenbaker: What was the date of the agreement, please?

Mr. Deschatelets: I will supply that information before the end of this debate, Mr. Chairman. The right hon. gentleman referred to the increase in the number of directors. May I say that this act was passed while he was head of the previous government. The reason the province of Quebec has the same number of directors as the federal government is that under the tripartite agreement—

Mr. Diefenbaker: I did not at any time question the fact that they should have the same number of directors. I pointed out that the bill says the other two appointments to be made will consist of one appointee by the governor in council and one by the lieutenant governor in council.

Mr. Deschatelets: I was coming to that, Mr. Chairman. I would be ready to admit that technically the right hon. gentleman is right. The reason we are increasing the number of directors from 12 to 14 is that we would like to improve the image of the organization; we would like more regions of this country to be represented. The right hon. gentleman will find in the bill before us that the same number of directors, namely seven, is provided for Quebec and for the federal government, though we are going to appoint two additional directors. The reason is that because the province of Quebec and the city of Montreal will bear half the total expenditures, we thought that at least in the statute they should provide the same number of directors as the federal government. This number is seven. But I wish to state, Mr. Chairman, and I do not hesitate for a moment to commit myself by saying, that the two additional directors will be appointed by the governor in council. A gentlemen's agreement was reached between the federal government and the government of Quebec. I hope hon. members will be satisfied with my statement.

The right hon. gentleman also claimed that we should have presented to the house before now an amendment to the act in order to legalize the description of the site. I wish to state that we were planning to present this amendment immediately after the house resumed in September, but because we thought we would be making additional amendments it was considered preferable to wait and present all the amendments at the same time. Because the leader of the official opposition may think he has a prima facie case of illegality, may I state first of all that the government of the province of Quebec last summer passed an act in which it is stated very clearly that Notre Dame island belongs to the city of Montreal.

Furthermore, Mr. Chairman, may I say that the federal government has not yet spent one nickel in relation to the site. I repeat, not one nickel has been spent by the federal government in relation to the site. I repeat also that the site is the sole responsibility of the city of Montreal, and they have the obligation to deliver this site before the end of June, 1964. A budget was prepared for the year 1963, and it has to do with salaries and details of the organization. There was no mention of any other undertaking or construction project.

I now come to the question of salary of the chief commissioner. I repeat that this question has not been settled as yet but will be settled sometime in January. Until then the chief commissioner will continue to enjoy the salary and indemnities as ambassador, which post he is still occupying.

Mr. Diefenbaker: Is he paid as commissioner or just as ambassador?

Mr. Deschatelets: Just as ambassador. The right hon. gentleman has asked for the total expenditure, the plan, and so forth, and I believe I answered that question this morning on orders of the day. This afternoon the operating and capital budgets, as well as the master plan, will be presented to the federal government and the Quebec government, and to the city of Montreal. The right hon. gentleman is experienced enough to know that in such a case it is not possible for us to make this information available to members of parliament or the public before it has been approved.

In order to make my point very clear I would like to read clause 8 of the tripartite agreement among the government of Canada, the province of Quebec and the city of Montreal, signed on January 18, 1963:

> The corporation shall submit, annually, to the minister and the minister of industry and commerce of Quebec...an operating budget and a capital budget, with deductions for any anticipated income in each case, for the next following financial year of the corporation, which shall be the calendar year, for their approval, and approval by the Minister of Finance of Canada and the minister of finance of Quebec, and shall forward copies of the approved budgets to the city.

We are going to examine these documents sometime tomorrow or next week. The government of Quebec will do the same, and it is only by courtesy that these documents have been made available to the city of Montreal, because under the agreement it is mentioned that we could have waited for approval before giving them to the city of Montreal.

Mr. Diefenbaker: When we undertook to have the fair we fixed the total liability of the federal government at $20 million. That was the basis upon which the fair was proceeded with, but subsequently the present Prime Minister added to that amount. I would now like to know how much the federal parliament will be called upon to pay for this fair, and what was the basis upon which the $20 million—which was of the essence to agreement that we would join in the fair—has been increased? Is there any further increase over and above that which was promised by the Prime Minister in August?

Mr. Deschatelets: I do not think the right hon. gentleman's statement is quite accurate. It is true that the government of Canada has agreed to pay a grant of $20 million.

Mr. Diefenbaker: And no more.

Mr. Deschatelets: This is where the right hon. gentleman makes a mistake, because clause 7, concerning the borrowing powers of the corporation, is very clear.

Mr. Diefenbaker: Read it.

Mr. Deschatelets: I will read clause 7:

If further funds—

That is in addition to the $20 million, the $15 million from Quebec and the $5 million from Montreal.

—are required by the corporation for the purposes of the exhibition, other than those obtained by way of temporary loans from the consolidated revenue fund of Canada, Canada and the province agree that the corporation shall, subject to the approval of the Minister of Finance of Canada and the minister of finance of Quebec, borrow such funds and may issue securities therefor and that such securities shall be jointly guaranteed by Canada and the province. The securities and the joint guarantees shall be in such form and subject to such terms and conditions, including rates of interest as approved by Canada and the province.

In answer to the right hon. gentleman's question may I say there was no increase, and that the situation is the same as the one set under the previous administration. There is no increase whatever in the grants to the corporation.

Mr. Diefenbaker: I read from the Montreal *Star* of August 13:

Prime Minister Pearson said yesterday the federal government is prepared to spend—

[Mr. Deschatelets.]

Not to loan—

—$50 million over and above the $20 million already allocated as its share.

That is not a loan under clause 7 of the agreement.

Mr. Deschatelets: I am just wondering whether the statement read by the right hon. gentleman has to do with the Canadian pavilion. In addition to the grants, the federal government has undertaken to build a Canadian pavilion. I do not know exactly how much this will cost, and I would refer that question to the Minister of Trade and Commerce who is in charge of this sector.

[*Translation*]

Mr. Pigeon: Mr. Chairman, I want to take this opportunity to say a few words and to express to the Minister of Public Works my best wishes for the success of the world exhibition in 1967.

On the other hand, I want to state that I am sorry about the remarks made by the hon. member for Skeena (Mr. Howard). I think that all members of this house, with the exception of the hon. member for Skeena, feel that His Honour Mayor Drapeau, of Montreal, is anxious to co-operate with everyone, at all levels, so that the world exhibition might be a success.

The mayor of Montreal must be commended for giving of his time, his energy and his talent in order that the city of Montreal may contribute, directly or indirectly, to the success of that exhibition. Actually, the world exhibition is not the responsibility of Mayor Drapeau only, but also of the Quebec government and of the federal government, with, of course, the co-operation of the foreign countries which will have a pavilion at the fair. This is an undertaking on a national scale and not on a municipal scale, as suggested by the hon. member for Skeena.

I would like to ask the minister why we must wait so long to have Mr. Dupuy's status determined? Mr. Dupuy is in charge of the fair, but he is still the Canadian ambassador in Paris. I wonder why he has not yet been asked to devote himself exclusively to the fair since, as the minister said, it is a tremendous venture which certainly requires, to my mind, the undivided attention of Mr. Dupuy.

I have a suggestion for the minister: at the very first opportunity, he should replace Mr. Dupuy by the Minister of Justice, Mr. Chevrier. I think that would provide a speedy settlement of the problem.

As far as developing of the exhibition site is concerned, that is the development of the islands, it seemed to be understood that the filling material would cost some $12 million. I should like to ask the minister whether it is true that it will cost $60 million because the

required material cannot be taken from the bottom of the St. Lawrence river since there are several feet of sheet of rock.

I think the authorities concerned will have to see to it that the filling is well done, because taking the New York world exhibition statistics in 1939-1940, public services involved 10 miles of sewers, 20 miles of drains, 15 miles of water pipes and 16 miles of gas lines. This means that the authorities concerned will have to see to it that the ground is well settled in order to avoid pipe breakage for instance.

Mr. Chairman, the Leader of the Opposition quite properly asked what would be the total cost of that gigantic undertaking. I have some information from an authority very close to the world exhibition concerning the approximate costs for the various administrative levels to carry out that project. For instance, the total investment is estimated at $580,540,000, of which $82,300,000 are chargeable to the exhibition corporation, $83,740,000 to the city of Montreal, $141,500,000 to the province, $70,500,000 to the federal government, $104 million to foreign countries and $98.5 million to Canadian private enterprise. So the total investment will come close to $1 billion.

The management anticipates expenditures of over $80 million, without taking into account administrative expenditures which will certainly add up to several millions. To meet that tremendous responsibility, I understand the exhibition corporation only has the $40 million put at its disposal by the three governments. Since the total revenue is estimated as some $40 million, based on the estimates already prepared for the New York exhibition, a large operation deficit is already anticipated.

Then we would appreciate, if the minister without entering into details would at least tell the house, whether it is true that, as I have been told by someone who is very close to world exhibition, the total cost would reach a billion?

The minister has also spoken about the Canadian pavilion. I would like to ask the Minister of Public Works whether it is true, even if this matter comes under the Department of Trade and Commerce, that the cost of the Canadian pavilion will reach $21 million. We, on this side of the house, would appreciate receiving this information.

Mr. Chairman, those were the remarks which I wanted to make. However, as for the approximate cost of this venture, I would be pleased if the minister would give us further explanations.

Mr. Grafftey: Mr. Chairman, I do not intend to take up too much of the time of the house this afternoon.

First of all, as member for a constituency where all races live together in a genuine spirit of national unity, I simply want to say that I do not wish to waste the time of the house in replying to the remarks made by the hon. member for Skeena (Mr. Howard).

With the harmonious co-operation of the entire population of my riding of Brome-Missisquoi, as well as of every province, I am convinced that we shall be holding in 1967 genuine and sincere celebrations for the centennial of our great and young country.

We are indeed fortunate in not having among our people persons with the same frame of mind as the hon. member for Skeena.

I have often asked the Minister of Public Works questions concerning the world fair. From time to time, I noticed that in his replies, he never referred to the important things which were happening in Montreal.

A few weeks ago, the Prime Minister stated that he intended to appoint a permanent liaison officer to keep the federal government constantly and fully informed of the events in Montreal. As I say, not so many weeks ago, the minister told me that, for the time being, he was acting in that capacity himself.

In view of the speech he delivered and the announcement which the Prime Minister made, I hope the government will soon appoint a permanent liaison officer so that, from now on, we may get appropriate information on what is happening in Montreal, when we ask questions in the house.

Speaking in all sincerity, I submit that what we need at the present time is an efficient system permitting co-operation between the federal government, the provincial authorities of Quebec and those of the city of Montreal.

[*Text*]

Mr. Howard: Mr. Chairman, if I may say so I think the best compliment I can pay to the last two speakers is to direct my remarks through you to the minister and say to him that my initial comments on this resolution were not made out of rancour or bitterness or anger; they were placed on the record because that was the way I felt about the situation after watching the progress, or lack of it, of the world fair in the months up to now. If hon. members want to get emotionally incensed about it and base their attitudes to this question on pure emotion rather than looking at it logically, that is their prerogative and I bear them no ill will whatsoever.

With respect to the contention made earlier today and reiterated by the Leader of the Opposition that all the works done to date are illegal and without statutory sanction, I should like to tell the minister that I still hold this view. I believe the arguments which the hon. gentleman put forward in this regard do not hold water. He said, for instance, that the legislature of the province of Quebec brought Notre Dame island within the confines of the city of Montreal. That may well be, but that does not make Notre Dame island part of the island of Montreal, and the act specifically says that the world fair should be held on the island of Montreal.

The hon. gentleman indicated that not five cents has been spent by the federal government on the work which has been done up to the present moment. I do not think that argument has any validity with respect to whether what has been done has been done legally or not, because the relevant section of the act says quite clearly that there shall be held in Canada, on the island of Montreal, for six months, the exhibition referred to. The act does not talk about whether the federal government should spend money on the exhibition. That is immaterial.

The invitation cards which we received in August indicated that there was to be an official inauguration of the site. That is contrary to the law. The minister also said that the city of Montreal had until the end of 1964 to deliver the site; that is, to have it ready and available. This is immaterial too. We contend that the work which has been done up to this time has been illegal and contrary to the law of Canada, and we should all recognize this fact.

Even if this bill passes I do not think it will legalize what has been done up to now. However, I think there is a general disposition to agree that we should do something to regularize the illegal procedures which have been followed up to now. I still take the position that, so far, this has not been developed as an exhibition worthy of Canada in a national sense. So far, these activities have revolved primarily around the city of Montreal.

Mr. Diefenbaker: The minister did not answer a couple of the questions that I put to him. One of those questions concerned the rumour, passed from person to person, that the world fair was to be postponed. This rumour originated in an answer given by the Prime Minister on October 18 to the hon. member for St. Mary. The exchange is reported in *Hansard* on page 3742, as follows:

Mr. Georges Valade (St. Mary): Mr. Speaker, I wish to direct a question to the Prime Minister. Does he have any comments to make on an article published in *Maclean's* and stating that the Prime Minister's advisers recommended giving up the idea of a world fair in Montreal? The article appeared on page 17 of the October 5, 1963 issue of that magazine.

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, I have no comment to make.

The very fact that no comment was made accelerated the number of rumours in this regard, and I would ask the minister to direct his answer to this point.

The second question I asked him was this. How many countries to date have agreed to exhibit at the Canadian centennial exposition. My information may not be correct, but I have been informed that only two countries have expressed any direct interest in taking part in this exhibition. That is a very serious situation. The third question to which I did not receive an answer—it was brushed off—was what expenditure is to be made by the parliament of Canada? I am going to read from the remarks of the Prime Minister made in Montreal as reported on August 13.

In 1962, the federal government took the necessary action to establish the world fair corporation and to extend invitations to countries through our diplomatic channels abroad. It approved a contribution of up to $20 million to meet the direct costs of the exhibition.

Now the minister would have us believe that this $20 million was simply to be spent on a building or on a pavilion. Nothing of the sort. It represented the limit to which the former government would go in contributing to the direct costs of the exhibition, and that view was accepted by the present Prime Minister. Then the right hon. gentleman went on to say:

The federal government is also prepared to provide an exhibit which will be worthy of the country. It has undertaken to meet the very substantial additional costs that its engineers consider will be necessary to provide for the protection of this site against ice accumulation.

How much has been estimated as the cost which the federal government would accept in order to provide protection against ice accumulation? These various costs which I have mentioned will in themselves total something over $50 million. We want to know what the contribution is to be.

There is the building of the pavilion. Naturally there will be a national pavilion. But the undertaking of the government, when I was prime minister, was that our direct contribution would be no more than $20 million. Now the present government states there will be further costs in connection with the highway. I can recall the minister being asked a question as to the cost in this connection, and he said the highway would be built as part of the trans-Canada plan and the share paid by the federal government

would be the share normally paid by the federal government toward the cost of such highways.

I should like to get the outline of this expenditure. The direct contribution is $20 million. Then there is the pavilion. Over and above the pavilion, what further contribution is Canada to be asked to make? What is the estimated cost of providing protection against ice? What is the estimated cost of the road construction? What is the estimated cost of engaging additional engineers, and so on? We should know these things. There have been some grandiose plans suggested. As a matter of fact I notice someone has proposed that the parliament of Canada should provide free transportation for everyone who wants to go to the fair. I thought that was going a little far; indeed, I thought it was going much too far.

What I am trying to point out is that unless there is some degree of control there is no plan, however ephemeral or ridiculous, which might not ultimately be charged to the federal government. What degree of control do we have? What is the limit? I repeat that we said no more than $20 million was to be provided by way of direct assistance. That did not contemplate the cost of the pavilion. As soon as the minister gives us this information he will more or less have covered the picture.

Mr. Deschatelets: May I at the outset remind the Leader of the Opposition that there is no clause dealing with expenditure on the fair in the bill before us. I think he will be bound to agree with me when I point this out. I will go as far as I can in answering his questions, although I feel I am not supposed to do so because the subject is not covered.

Mr. Diefenbaker: We will regard it as covered.

Mr. Deschatelets: I am ready to meet the right hon. gentleman half way. I wish to be very clear about this. There has never been any question of postponing the date of the fair. I have never heard of it, and this is especially so on this day when we are going to be supplied with the master plan and the organization is now in the midst of developing its projects. I think this answers the points raised by the Leader of the Opposition. It is true that three countries, I believe, have actually accepted participation.

Mr. Diefenbaker: Which are they? Britain, France and Belgium?

Mr. Deschatelets: I think this is information we will have to supply later to the right hon. gentleman. I believe he can easily understand that it is pretty early for the different countries to accept participation. We are in December, 1963 and the fair will take place in 1967. But I might say here that at least 25 countries have already indicated that they are going to participate. I think this should answer the point. The federal government is going to provide a pavilion, but I do not think it would be proper for me to give the amount because this is under the jurisdiction of the Department of Trade and Commerce. But I might say today that the Canadian pavilion will surely be the pride of all Canadians—

Mr. Diefenbaker: How much is the pride going to cost?

Mr. Deschatelets: —who will visit the fair. As far as the expenditures are concerned, we forecast an expenditure of $20 million, the federal government paying $17.5 million and the city of Montreal $2.5 million for a total of $20 million.

The right hon. gentleman mentioned the cost of highways and access roads to the site. As far as the access roads are concerned, it is one of the obligations of the city of Montreal to provide access roads to the site and also to provide for the services, the corporation being responsible only for the services within the site. I am the one who signed the agreement under the Trans-Canada Highway Act with the province of Quebec for the expressway from the west end to the east end of Montreal, and I wish to remind the house that this has nothing whatsoever to do with the world fair except, of course, to permit the construction of a very important link coming from the north end of the city to the site. We would have accepted this agreement whether or not there was going to be a fair in Montreal in 1967. I wish this to be well understood. This is the reason the expenditure under the Trans-Canada Highway Act should not be included in the cost of the world fair.

Mr. Diefenbaker: What will be the amount of that expenditure?

Mr. Deschatelets: Mr. Chairman, we will have to pay approximately $30 million as our share for the construction of the Boucherville bridge, and we think starting at Metropolitan boulevard in the north end of Montreal up to Boucherville bridge and the tunnel we are going to spend approximately $45 million. The hon. gentleman must remember that the province of Quebec only entered into an agreement under the Trans-Canada Highway Act in 1960, and although the federal government is paying 50 per cent of the cost there is a provision in section 10 or section 11 of the act whereby we pay 90 per cent of one tenth of

the mileage. When we dealt with other provinces in the past, of course, we were always called upon to pay 90 per cent on the most expensive section. However, this was one of the purposes of the act, and it is the reason we are paying 90 per cent in Montreal.

Mr. Diefenbaker: I thought the 90 per cent covered mountain roads and the like.

Mr. Pickersgill: Or bridges.

Mr. Deschatelets: I do not know if the right hon. gentleman is kidding about that.

Mr. Diefenbaker: No, I am being very serious.

Mr. Deschatelets: I am supplying the information—

Mr. Diefenbaker: And I thank the minister.

Mr. Deschatelets: —under reserve of the point I have already made, that this is completely outside the scope of the bill, and I hope the right hon. gentleman will appreciate this.

[*Translation*]

Mr. Chairman, in answer to the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon), I wish to say this. When an ambassador must leave his post, a period of three or four months is usually required on account of his duties and that is why the commissioner, Mr. Pierre Dupuy, necessarily needs that period of time.

I wish to say that this problem will be settled sometime in January and the hon. members will be informed.

Mr. Valade: After the cabinet shuffle.

Mr. Pigeon: I hope that the delay in the appointment of the Minister of Justice will not be that long.

Mr. Deschatelets: As far as Notre Dame island and St. Helen's island are concerned, I wish to repeat to the hon. member for Joliette-L'Assomption-Montcalm that that is the city of Montreal's responsibility and that not later than yesterday, Mr. Jean Drapeau announced through the press that those islands would be handed over in time, as provided in the by laws.

In my reply before the recess, I dealt with the point raised by the hon. member about services. The city of Montreal has to provide those services to the site, but within the limits of the site the corporation will have to set up those required by the fair.

I am sorry to say that I am not able to satisfy my hon. friends' curiosity as far as building costs are concerned. Again, the master plan will be presented only today; it will be considered tomorrow or Monday by us, and also by the government of the province of Quebec which, this very day, is meeting the fair officials who will present the plans to them, as well as to the city of Montreal. Within a few weeks everybody will be informed of the decision.

I must say that the organization of the exhibition now enters the most important period of all, which is the carrying out the plan that will be accepted by the three governments.

Mr. Pigeon: Would it be possible, at the beginning of next session, to have an idea of the approximate cost?

Mr. Deschatelets: I am happy to answer this question. When the plans have been approved, there is no reason why they should not be made public. This morning, I said it was unfortunate we should not sit at that time, for the hon. members would then have learned of these plans before the public.

Mr. Valade: Mr. Chairman, I would like to get some information from the minister. He himself mentioned the east-west Montreal expressway which will be built to help speed up traffic on the occasion of the world fair.

As he mentioned the subject, I would like to have some information concerning the laying out of that road, especially where it branches off from Dorchester boulevard. I understand, according to the lay-out, that the expressway is to start at a point west on Dorchester boulevard to reach Delorimier street, go up that street and from there continue east on Ontario street, up to the Boucherville tunnel. If I am right in this—and I hope the minister will correct me if I am wrong—I do not understand why the expressway would pass on an elevated road, in the eastern part of Montreal, on a very busy artery.

I should also like the minister to tell us what will be the responsibility of the Canadian World Exhibition Corporation concerning means of communication with and access to St. Helen's and Notre Dame islands, the site of the exhibition. At the official opening ceremony persided over by Mayor Drapeau, in spite of the roads now available, we certainly found ourselves in a serious traffic jam.

I wonder how we are going to have adequate means of access to the site, if the government, the city and the province do not decide immediately what are to be the roads of access and exit. I also wonder what comprehensive studies have been undertaken to prevent the exhibition from causing great big traffic jams which would jeopardize its success.

I wonder if the minister could get in touch with his colleague the Minister of Transport (Mr. McIlraith) to see whether the toll could be removed on Champlain bridge.

A member from the city of Montreal and myself urged that tolls be abolished on the Champlain bridge, as soon as possible, since even now that situation slows down traffic considerably in the city of Montreal because the work now going on on St. Helen's island and truck traffic are already causing quite serious bottlenecks on the roads between the south and the north shores.

I make this suggestion because I feel that the most important thing to think about after giving a structure, so to speak, to the corporation, is to ensure that all means of communication will benefit the world's fair.

Since the minister offers to amend the Canadian World Exhibition Act, I wonder whether he could tell us what are the intentions of the corporation about the pavilions which will be left there, once the fair is over. Rumours circulate to the effect that these pavilions could be sold to individuals. If such were the case, I think that we would be making a mistake because such a decision would lead to speculations with regard to the disposal of those pavilions.

In my opinion, these pavilions could be used to serve many purposes. I could even suggest to the minister that the corporation give up or sell some of them to the University of Montreal, which could use them as research centres, medical laboratories or even as hospitals.

As I mentioned already, these buildings could be used for many purposes, but I am of the opinion that before venturing too far, the minister should look after all the details to make sure, at the outset, that no speculation will be possible when the fair is over.

Mr. Chairman, I wish also to comment on some of the remarks made by the hon. member for Skeena (Mr. Howard) who, some time ago, seemed to blame the mayor of Montreal for the delays in the preparation of the world fair.

I feel the hon. member has been very badly informed, as in other circumstances, it may be added, because in the July 4, 1963 edition of *La Presse,* there was an article signed by Mr. Albert Tremblay to the effect that the city of Montreal was blaming Ottawa for the difficulties encountered in the preparation of the fair.

And the second paragraph of the article in question was as follows:

> At a press conference called especially for that purpose, Messrs. Jean Drapeau and Lucien Saulnier defined once again the position of the administration—

And the conclusion of the article was that the delay was due to a lack of decision on the part of the federal government.

Mr. Chairman, I am of the opinion that the Minister of Public Works should not be the only one blamed for that situation. I think that the Prime Minister (Mr. Pearson) is also responsible to a great extent for those delays for which I suggest there is no excuse, because of the short period at the disposal of the authorities of the city of Montreal to have the grounds ready.

I have a letter which the Prime Minister sent me on September 24, 1963 concerning the site of the exhibition, when I asked him to investigate the internal problems of the world exhibition corporation, particularly in connection with the resignation of Messrs. Carsley and Bienvenu. In his reply, the Prime Minister said then that a bill would soon be introduced in the house to amend the Canadian World Exhibition Corporation Act.

Mr. Chairman, I draw the attention of the house to the fact that this letter was dated September 24, 1963, and that it is only on December 20, that is nearly three months later, that the government finally introduced legislation to amend the said act.

I insist on calling this to the attention of the hon. member for Skeena and of the minister to stress the fact that the government is to be held responsible for the delays encountered in the decisions concerning the world fair.

Some time ago, I spoke of the reasons which motivated the resignation of Messrs. Carsley and Bienvenu. The minister did not reply. I would ask him to give those reasons to the house.

On August 22, 1963, *La Presse* published the letter which Mr. Bienvenu sent to the Prime Minister and copies of which he had given to the press. This is what he said in paragraph (b):

> Important decisions were taken without the corporation being even invited to attend the discussions. There should not only be close co-ordination between the three levels of government but the commissioner should be provided with the means to ensure such co-ordination if senseless delays and duplication are to be avoided.

This letter is a clear indictment against the present government and the minister responsible for the world fair for their lack of co-ordination not to say co-operation. I wonder if the Liberal government should not assume part of the blame for those delays which nearly compromised the world fair, which, as we all hope, will be a success.

I hope, therefore, that the minister will not try to evade his share of responsibilities and will recognize that it is as late as eight months after the coming into power of his

party that entirely technical legislation is introduced in order to amend the Canadian World Exhibition Corporation Act. Indeed, the minister must admit that the amendments proposed only involve a very small part of the administrative structure and that they mostly concern the payment of allowances to the directors.

I feel that the government could have introduced much more practical amendments than those now before us and which only tend to amend the act so as to appoint two other directors and increase their remuneration.

I would like the minister to give us some definite explanation because his hesitation in making known the allowance to be paid to the commissioner general is absolutely unacceptable. I am wondering why the minister cannot tell us today what salary will be paid to this director who will soon be working for the company?

In this connection, I will give as an example the civil service commission. When this commission advertises a competition, the salary paid to the successful candidate is usually indicated. I cannot therefore understand why the Minister of Public Works is not in a position to tell us now what will be the salary paid to the commissioner general.

I realize that it may be advisable to take this decision when the house will be in recess, because we could then ask other information and I find that this perhaps is a characteristic attitude of the Minister of Public Works with his usual courtesy, he does not want to start a controversy.

I do not want to start a discussion on the matter, but I think we should insist, as members responsible for the money spent by the government, that the minister tell us how much the commissioner general will get.

I think it should be easy for the minister to answer that question. If one of his friends were to meet him and ask: "My dear minister, what is your salary?", it would be easy for him to answer his friend and it would not take him two months to do it, because he knows how much he is being paid. Therefore, I think the minister is in a position to tell us if the salary in question will amount to $10,000, $15,000, $25,000, $35,000 or even more than $35,000 or $50,000 per year.

It is important that we should get that information because we are asked to pass a measure meant precisely to give consideration to the matter of salaries to be paid to the directors of the world's fair.

I hope that the minister will answer the questions we put to him and, in particular, will assure the house that neither the provincial nor the federal government will intervene from now on in the administration of the world's fair.

Mr. Chairman, I do not want to start a debate but I know that some contracts were granted directly without public tenders being called. There might not have been anything wrong in that since the authorities of the city of Montreal are responsible for the preparation of the site but I hope that the three governments will give the corporation the independence it should have if we really want the fair to be a success.

[*Text*]

The Chairman: Shall the resolution carry?

Some hon. Members: Carried.

Mr. Diefenbaker: Mr. Chairman, possibly the minister now, in the spirit of Christmas, will let us have that information. He has been pretty generous in his information as to the salary the deputy commissioner general is to receive. When he has given this information he will have pretty well covered the questions that were asked. I summarize this matter at the moment by saying we have no apology to offer for the time taken in the examination of this very important matter. I am glad to have the assurance of the minister that the fair is going to be proceeded with. The uncertainty that was created stemmed directly from the indifference of an answer given by the Prime Minister, to which I alluded earlier.

There must be—and I think parliament takes this stand—strict regard to the expenditures that are being made. This is not to become a field day for expenditures. The undertaking was that $20 million would be the total amount that parliament would provide. That was the understanding, the very clear understanding; and I remember very well that Toronto was approached in this connection and said that an exhibition of the kind contemplated for a centennial of confederation exhibition could not be financed on the basis of the terms which were acceptable at the time we entered into the arrangements with the province of Quebec and the city of Montreal. When I hear the record of expenditures in connection with roads, tunnels—

An hon. Member: Bridges.

Mr. Diefenbaker: —dams, ditches, and one thing and another, to provide for this fair, I begin to wonder whether the sky is the limit, and the very suggestion of that would shock the sensibilities of Canadians generally.

I am pleased to hear that this fair is going ahead, and I simply end my remarks by saying that it must be a success. National

pride cannot suffer the ignominy of having the 1967 centennial of confederation exhibition turn out to be the world's fiasco. We want it to be a world exhibition that will concentrate attention on Canada. There has been nothing up to the present moment that has been indicative of a serious regard to the terrible consequences to our national prestige and pride that will follow if this fair does not succeed. If the minister would now give us the information, I will express in advance my appreciation of the way in which he has answered the questions, difficult as they have been and difficult as it has been for him to provide the fullest information in this connection.

Mr. Deschatelets: Mr. Chairman, as far as the salary of the chief commissioner is concerned, may I say that it will be recommended by the Prime Minister. It will have to be approved by cabinet. Surely it should be proportionate to the salary of the deputy chief commissioner, which is actually $35,000.

Mr. Diefenbaker: That is a beautiful example of telling us nothing. Is the rumour correct that the recommendation is going to be $65,000 or more?

Mr. Deschatelets: I hesitate to even comment on rumours such as the right hon. gentleman is reporting to the committee this afternoon. This has never been suggested or mentioned. I think the right hon. gentleman should be satisfied this afternoon when I say that the salary of the chief commissioner will be in proportion to the salary now enjoyed by the deputy commissioner.

Mr. Diefenbaker: In what proportion?

Mr. Deschatelets: He is now receiving $35,000. I think we should be satisfied with this. I have given a few of the reasons why this matter has not yet been settled. It will be settled during the month of January. I would like to come back to the last point raised by the right hon. gentleman. When he says the $20 million grant is the only expenditure—

Mr. Diefenbaker: No; the only grant.

Mr. Deschatelets: —the only grant—

Mr. Diefenbaker: The rest are loans.

Mr. Deschatelets: —I can assure the right hon. gentleman that today we do not envisage any increase in the grant. There is absolutely no increase and we do not envisage any increase. But the right hon. gentleman will remember, I hope, that in the tripartite agreement entered into he gave the corporation borrowing powers—

Mr. Diefenbaker: That is right.

Mr. Deschatelets: —and these loans will have to be guaranteed by the Minister of Finance of the Canadian government as well as the minister of finance of Quebec. Nothing has been changed as far as this is concerned. I wish to reiterate—and this is important—that nothing has been changed; the $20 million grant remains at the same amount.

The Chairman: Shall the resolution carry?

Some hon. Members: Carried.

[*Translation*]

Mr. Valade: Mr. Chairman, the minister has not told us what is the intention of the government regarding the disposal of the pavilions. Does the government consider giving instructions to the Canadian world exhibition corporation along that line?

Mr. Deschatelets: All these matters will be dealt with, of course, when the construction program has been accepted by the government. Up to now this program has been submitted to the federal government and also to the Quebec government, and when it is made public, all these questions will be answered.

The hon. member also talked about the surplus left when the fair is over. May I draw his attention to clause 19 which reads as follows:

> The corporation shall wind up its affairs and dispose of its assets and liabilities within such time after the closing of the exhibition and in such manner and subject to such conditions as the governor in council, with concurrence of the lieutenant governor in council, may prescribe.

If the three governments were called upon to contribute respectively 50 per cent, 37½ per cent and 12½ per cent, they will share revenues in the same proporton at the end of the exhibition.

[*Text*]

Resolution reported.

Mr. Deschatelets (for Mr. Pearson) moved that the said resolution be now read a second time and concurred in.

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

Mr. Howard: Did I understand you to say that the bill should be read a second time?

Mr. Deputy Speaker: No, that the said resolution be now read a second time and concurred in.

Resolution read a second time and concurred in.

Mr. Deschatelets (for Mr. Pearson) moved that the said resolution stand referred to the committee of the whole on Bill C-120, an act to amend the Canadian World Exhibition Corporation Act.

Motion agreed to.

World Exhibition Corporation Act

AMENDMENTS RESPECTING SITE, NUMBER OF DIRECTORS, ETC.

On the order:

Resuming consideration of the proposal of the Prime Minister for the second reading of Bill C-120, an act to amend the Canadian World Exhibition Corporation Act.

Mr. Deputy Speaker: Is the house ready for the question?

Mr. Howard: Mr. Speaker, on the motion for second reading of the bill I would like to draw something to your attention and ask for your ruling on whether the bill is in order now, and whether it has been preceded by a proper resolution.

Your Honour, when you were in the chair the other day, you ruled with respect to a previous question of order raised by the hon. member for Winnipeg North Centre on December 10, and I want to quote briefly one of the paragraphs in your ruling as recorded at page 5666 of *Hansard* for December 10, where citation 355 of Beauchesne's fourth edition was quoted. Then you said:

It should be noted however that resolution is required not only when an amendment seeks to increase the amount previously approved by parliament, but also if it changes the modality and conditions of the grant authorized by the original legislation.

I submit that this bill seeks to change the modality and the conditions of the grant authorized by the original resolution with respect to the site of the fair itself, and no reference is in the resolution which the committee just considered to the site but only to increasing the number of directors of the corporation, to payments to the commissioner and the deputy commissioner, to establishing an executive committee of the board, to authorizing payment of remuneration by the corporation to directors, and to making further changes in connection with the administration of the act. The act at present states, and this has been mentioned quite a number of times:

In connection with the celebration of the centennial of confederaion in Canada in a manner in keeping with its national and historical significance, there shall be held in Canada, on the island of Montreal for a period of six months—

The bill now before us says:

There shall be held in Canada, on the island of Montreal.

Then these words are added:

—and on or in the vicinity of Ile Ste. Helene, Ile Ronde, Ile Verte and Ile Notre Dame

—which I submit is an addition of four extra islands not referred to in the original legislation. I submit that the inclusion of these four islands in fact changes what you referred to as the modality and conditions of the grant authorized by the original legislation. I also submit that we should proceed according to what the rules say, the rules which were applauded so heartily by the Secretary of State when Your Honour made that ruling.

[Mr. Deschatelets.]

Mr. Pickersgill: I do not intend to go into any detail, and I certainly do not intend to make the kind of flattering references to the hon. gentleman that he constantly makes to me. I may say the resolution was drafted, as is customary with resolutions presented to the house, by the law clerk of the house, who is very experienced in these matters and who had the benefit of the views both of Your Honour and those expressed by the hon. member for Winnipeg North Centre, who raised the point of order originally, who is also very experienced in the interpretation of the rules and who has tripped up a good number of other members on various occasions. I should be surprised, sir, if the law clerk had made a mistake.

Mr. Deputy Speaker: Order. There are two points on which the Chair should comment. The first deals with the question of the regularity of the bill at this stage, and I may say this was covered by an order of the house as reported at page 651 of *Votes and Proceedings* for December 10:

And the honourable member for Winnipeg North Centre (Mr. Knowles) having raised the question as to whether the bill should stand on the order paper or be reintroduced after the house has passed the resolution referred to.

Mr. Deputy Speaker: I am informed that there is a precedent dating back to the session of 1912-13 where the procedure which is now proposed by the honourable the Secretary of State (Mr. Pickersgill) was followed.

This is an order of the house. With respect to the question of whether the island of Ste. Helene is part of the island of Montreal, to my mind that is a question of geography which the Chair should not be called upon to resolve. I would therefore rule that the bill is in order.

The house resumed, from Tuesday, December 10, consideration of the motion of Mr. Pearson for the second reading of Bill No. C-120, to amend the Canadian World Exhibition Corporation Act.

Motion agreed to on division, bill read the second time and the house went into committee thereon, together with the resolution adopted earlier this day, Mr. Lamoureux in the chair.

On clause 1—*Short title.*

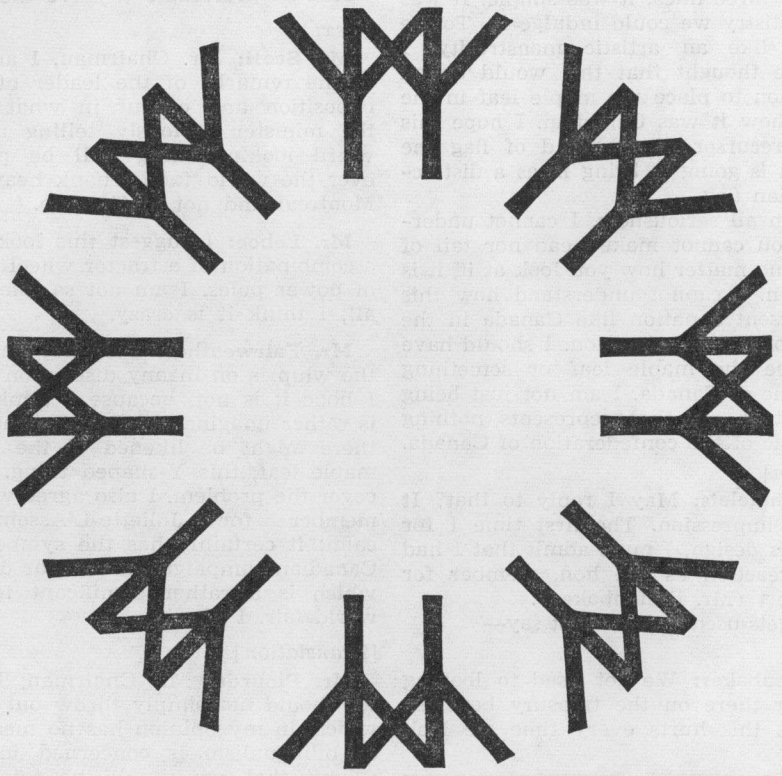
Mr. Diefenbaker: What is the reason for the change of name, and what brain produced this schedule? It is a most interesting schedule. This is the motto of the fair and I just wonder what its purport is. What does it mean? I suppose one must have an artistic temperament to understand it, but I must say it is difficult to understand. It is a series of angles facing one another in a regular arrangement around a circle.

Mr. Knowles: Mr. Chairman, I would point out that the readers of *Hansard* may wonder what we are talking about. I suggest that a cut of this design be put in *Hansard*—the queen's printer can do it—perhaps at this point. This could be done by unanimous consent.

The Chairman: Is there unanimous consent?

Some hon. Members: Agreed.

[*Editor's note: The design referred to above appearing in the schedule to the bill, is reproduced below:*]



[*Translation*]

Mr. Deschatelets: Mr. Chairman, I am pleased to answer the two points raised by the leader of the official opposition.

The title of the act is being amended in order to reflect more precisely the aims of the Canadian corporation set up by the government to organize the world exhibition. The former title read as follows: the Canadian World Exhibition Corporation Act, but the title we propose would be: the Canadian corporation for the 1967 world exhibition act. It seems to me that if one compares both titles, one is fully justified in proposing that amendment.

As far as the drawing at the end of the bill is concerned, I may say that this emblem is based on the original emblem. It is a vertical line with diagonal arms, and it is said that this graphic symbol of man is the oldest there is.

This design was conceived by an artist, Mr. Hebert, who had the idea of joining two symbolic figures of man, to convey the idea of friendship and fraternity. By a clever grouping in the form of a circle of eight of these double figures, the artist suggested the form of the earth, that is the world of men, without resorting to the usual graphic interpretation which can be seen on any truck passing in the street.

In our opinion, this is a well-conceived and well-designed symbol and I think that when the public are used to it, they will surely

understand the viewpoint of the artist when he designed it.

To conclude, I want to say that in this design, the artist gave priority to man over earth, contrary to what is usually done.

[*Text*]

Mr. Diefenbaker: Mr. Chairman, we are trying to show something Canadian here. I am glad the hon. gentleman has the imaginative processes of appreciation for the artistic and decorative nature of this emblem. When I was a boy we used to draw men like that, just two or three lines; it was simple. It was the only artistry we could indulge in. To me this looks like an artistic monstrosity. I would have thought that this would be an ideal occasion to place the maple leaf in the centre to show it was Canadian. I hope this is not a precursor of the kind of flag the government is going to bring in as a distinctive Canadian flag.

I speak in all seriousness. I cannot understand it. You cannot make head nor tail of it, because no matter how you look at it, it is upside down. I cannot understand how this could represent a nation like Canada in the centennial of its confederation. I should have liked to see the maple leaf or something characteristic of Canada. I am not just being jocular, but to me that represents nothing characteristic of the confederation of Canada.

[*Translation*]

Mr. Deschatelets: May I reply to that? It is only an impression. The first time I for one saw this design, I must admit that I had the same reaction as the hon. member for Prince Albert (Mr. Diefenbaker).

But one gets used to it. I must say—

[*Text*]

Mr. Diefenbaker: We get used to looking at you over there on the treasury benches; nevertheless this hurts every time we look at it.

[*Translation*]

Mr. Deschatelets: I must say here, Mr. Chairman, that artists have examined that design. Of course, one must understand the synthesis made by the artist and the idea he wanted to represent by his design.

At the time the world fair opens, the design will be reproduced and distributed everywhere to show the site of the fair to the visitors. I imagine there would be a design like this, with an arrow to indicate in which direction the fair is.

This has the advantage that it cannot be given any other meaning. When people will see the design, they will know that it means the world fair.

Mr. Pigeon: Mr. Chairman, a word only to say that I am surprised that the minister accepts this symbol, because it looks very much like the one adopted by a certain organization fighting nuclear arms. I wonder whether the minister could not have this design corrected because we do not know exactly what it represents. Does it represent in some way what the monument by the famous artist Vaillancourt tends to express? Will it be necessary to have protests or organized walks against it?

I entirely agree with the opinion expressed by the Leader of the Opposition that it would be preferable to have the maple leaf.

[*Text*]

Mr. Scott: Mr. Chairman, I am interested in the remarks of the leader of the official opposition and concur in what he said. Is the minister seriously telling us that this weird looking thing will be plastered all over the world fair? Thank heavens it is in Montreal and not in Toronto.

Mr. Leboe: I suggest this looks more like a combination of a tractor wheel and a bunch of power poles. I am not satisfied with it at all; I think it is crazy.

Mr. Fairweather: I do not know whether the whip is on in any discussion of a design. I hope it is not, because I think the design is rather imaginative. Perhaps the symbolism there might be likened to the seed of the maple leaf, this Y-shaped thing. That might cover the problem. I also agree with the hon. member for Joliette-L'Assomption-Montcalm; it certainly has the symbolism of the Canadian campaign for nuclear disarmament, which is a rather significant feature in a world fair. I like it.

[*Translation*]

Mr. Plourde: Mr. Chairman, I wonder if we should not simply throw out this symbol which, in my opinion has no meaning as far as bilingualism is concerned in Canada. I submit that we should be totally opposed to this project.

[*Text*]

Mr. Pickersgill: Mr. Chairman, may I say that the argument we have had for the last few minutes illustrates why legislative bodies never legislate art.

Mr. Diefenbaker: I should like to know which is the English version and which is the French version. I have never seen a monstrosity like it. It will bring ridicule to Canada. There is nothing to indicate Canada in it, either indirectly or otherwise. Is there going to be a glossary with the issue of every one of these so that people will understand it? Will the hon. gentleman read once more the description of the imaginative processes the

artist suffered as he produced this, because it was difficult to follow.

Mr. Deschatelets: I will surely oblige the right hon. gentleman by reading it again.

[*Translation*]

But at this stage, I should like to say it is a matter of taste. In front of a painting we have various reactions. Some people do not like abstract paintings, but we must respect other people's opinion.

I must say that this design certainly has an originality which can be found in no other. I think it is precisely the purpose of this symbol. As soon as you see it, you will know you are on the road to the world fair. That was one of the objects of the artist.

In any case, I will repeat the description:

This symbolic design is based on the primitive emblem of man represented by a vertical line with diagonal arms. This graphic representation is the oldest one existing.

A few minutes ago, the Leader of the Opposition said that when he was a boy he used to draw like that. We all did. If you take a good look at this design, you find out it represents the age of the caveman, and it is somewhat that primitive design which is represented here.

I should like to add this, and it is important. There are two emblems of man in each one of these figures. That is to indicate, in the concept of the artist, friendship and brotherhood. But in the concept of other people, that design might represent love or even a little of everything. But nevertheless, it indicates that it is something pleasant.

Since it is about a world exhibition, it was absolutely necessary that the emblem take the form of a circle. I suppose we could have had a planisphere, but that is too common. You see all kinds of trucks with a map of the world on the panels.

Mr. Pigeon: Why not include the maple leaf?

Mr. Deschatelets: It is a world exhibition and we must give it a universal character.

I will ask the Leader of the Opposition something. In these dying hours of a long session, surely he is a little tired; he should go and have a rest and when he comes back and takes a good look at that design, I am sure he will have a quite different attitude when he sees it.

Mr. Paul: Mr. Chairman, the reputation of the Minister of Public Works, as a lawyer, needs not be bolstered, and the proof is he very well defended a bad case today.

Canada has no distinctive flag. It is to be hoped we shall have one for the year 1967. However, I have no small fear the visitors to the world exhibition may find it strange that we do not have a typical emblem and a more representative symbol of the world exhibition.

I am no heraldist, but I would like to hear from the minister whether he himself chose that design. Moreover, I would like him to tell me whether this design is in conformity with heraldry. Besides, can he tell the house whether that model was submitted to the criticism of some heraldists? Finally, I would like the minister to tell us whether the individual by the name of Hebert, the author of this design, as he mentioned, would be Mr. Jacques Hebert?

Mr. Deschatelets: The person in question is Mr. Julien Hebert, industrial designer.

I should tell the hon. member for Berthier-Maskinonge-Delanaudiere that this design was accepted by the board of the world exhibition. It was referred to us after that and we also accepted it following explanations which may have been a little more satisfactory than those I am giving the house today.

At all events, I believe the hon. members should not discuss further that aspect of the bill. The work is an original emblem which satisfies the board of the world exhibition. It is already known and circulates in the public at large. In my opinion, we should proceed and pass the bill at this stage.

Mr. Paul: Mr. Chairman, I have a supplementary question for the minister.

[*Text*]

Mr. Lambert: This may appear to be a debate along the lines described in one of the chapters of the book setting forth Parkinson's law; vast sums are discussed briefly and then there are hour long discussions about an $800 bicycle shed.

[*Translation*]

But enough of that. I wonder, Mr. Chairman, whether the minister could tell us what the symbol means, because, if you examine it closely, you can find that, besides representing two primitive men, it is also made up of two letters, the letters M and W. Could he tell us if the letter M stands for Montreal and the letter W for World and also if there is a French translation that fits those two letters?

On the other hand, if the letter M is meant to stand for Montreal, whichever way you look at it, it must be realized that it ought not to represent the Montreal exhibition but rather the Canadian world exhibition.

Such being the case, I find it impossible to accept that symbol which, in my opinion, is a false one.

As to the character that such a symbol might give, be it primitive or modern, I submit that it falls into almost the same group as a certain mural which has just been

unveiled at the Edmonton airport and which, incidentally, looks as if someone had thrown a few dozens of eggs on the wall.

Mr. Deschatelets: Mr. Chairman, I shall answer briefly the hon. member for Edmonton West. The first time I was shown that symbol, I asked whether the letter M which appears on it referred to the city of Montreal. But I must tell him that it is quite by accident that we can see here the letter M which does not stand in any way for the city of Montreal.

In this case, it is two emblems, two figures linked together. It is just accidentally that this analogy happens, and I wish to tell the hon. member that.

Now, I also wish to say to the hon. members that this design was not submitted to them for approval. It was accepted as it is. The only reason why we are submitting to the house is to protect it because, if the hon. members will read section 9, they will find that, with regard to all the words as well as the design itself, a section of the act forbids them to be copied, and that is only to make sure that the design will remain the exclusive property of that crown corporation.

[*Text*]

Mr. Winkler: That answers one question. It cannot now be amended. The thought occurred to me that they had seen one of the colouring books of last April 8. Maybe it originated from that book. If it did—and it could have—I am wondering whether there could not be some pigeons going through the centre, flying away.

An hon. Member: Good idea.

Mr. Winkler: I am not referring to my hon. friend. I was merely following a remark made by one of the hon. members in the New Democratic party who said "Now we are away". I thought that if the design does come from that pamphlet we should also include the pigeons.

[*Translation*]

Mr. Gregoire: Mr. Speaker, it is obvious, when venturing in such a field, where we have to approve or judge the true value of a design, we should abstain from rationalizing and stay within the artistic field.

I want to refer to the definition given to beauty appreciation by Saint Thomas, one of the greatest philosophers of all times. Here is how he defined it: *Id quod visum aut auditum placet,* which means "That which is seen and heard once is pleasing".

Then the appreciation comes from looking. The question is not to analyse, to rationalize, but merely to be aware that something seen or heard is agreeable.

If, like the Minister of Public Works (Mr. Deschatelets) and the hon. member for Edmonton West (Mr. Lambert), we say: "Let us look at it carefully and analyse it", we do an injustice, in my opinion, because I think such a work should not be judged.

Personally, I cannot say that at first sight the design pleased me and that I was under the impression that it was a work of art. On the other hand, other persons are under the impression, at first sight, that there is something beautiful in it, and this is why beauty in the field of such works is always comparative. One cannot judge this type of design in an absolute way, and that is why some will find it satisfactory, others will find it beautiful and others will say that there is nothing pleasant in all that.

If what we want is to get a design, a model or a crest such as this for the world fair, we should not start rationalizing and analysing all the details. People must be left with the idea of a thing which, seen once, may please. There is a symbol involved. It is somewhat like a piece of music which represents, now a river, then waterfalls. Others who are more realistically minded will say that it reminds them of a storm or of a falling branch.

In my opinion, that is not the way one should see and judge things like that; one should not look for realistic evocations in an emblem such as this one. One must look at the general aspect of the thing and not ask himself whether it means something or not. I feel that we should rely on artists for an appreciation of a symbol such as this one which represents the Montreal world fair.

[*Text*]

Mr. Nasserden: Mr. Chairman, this is not a symbol of a Canadian world fair at all. This is just a primitive design detracting from the Canadian theme of the world fair which is to be held in our centennial year. No one looking at it can tell that it is a symbol of the world fair to be held on the occasion of our centennial. The letters "MW" are so plain that anyone can see them. The hon. member for Edmonton West mentioned the same thing. It is something that is going to occur to everybody who sees it, and I think the minister and the corporation should take this into account and give some consideration to having something more symbolic of this fair in our centennial year.

[*Translation*]

Mr. Frenette: Mr. Chairman, I listened with great interest to the remarks made by several hon. members.

If I am allowed 30 seconds I shall express my views on the subject, since I have some experience in this field having been an industrial designer for 15 years.

In spite of everything that might be said, I think it must be recognized that the designer of this symbol, Mr. Hebert, readily achieved

his purpose, that is, to appeal to the imagination of the person looking at the design.

In my opinion, that is precisely what he achieved by leaving it to the imagination of the persons looking at the symbol to find out by themselves what it means.

[*Text*]

Mr. Dinsdale: Mr. Chairman, I have a few brief questions on this matter that I should like the minister to answer. I can agree with him that this is symbolic of primitive man because my youngsters bring designs like this home from kindergarten quite regularly. This places it on a very elementary level. But if this is symbolic of primitive man and the brotherhood of man, why is there not some interconnection between each of the units in the design? Does the fact that there is a break between each of the units have any symbolic significance?

Mr. Pickersgill: That is the element of free enterprise.

Mr. Dinsdale: Second, I wonder whether the artist who prepared this design is the same artist who prepared the design for the mural in the Edmonton airport which was put forward as a memorial to the northern bush pilots. Hon. members will recall that there was a lack of public acceptance in regard to the symbolism in that design. Third, if we must have an expression of symbolism representing man, can we not introduce a note of Canadian realism by having a maple leaf superimposed in the centre of the design? The minister has indicated that we are not able to introduce any amendments but perhaps the designer and the members of the board of the world fair would be willing to accept a suggestion of that kind.

Mr. Herridge: Mr. Chairman, I am very much taken by the suggestion made by the hon. member for Brandon-Souris. I think it would greatly improve the design. First of all, I look upon the minister as a pretty capable minister of public works but I never expected to hear him give a detailed explanation of primitive and exotic art. I congratulate him on his capacity, shall I say, to deal with imagery. Someone mentioned that this design was intended for persons to gaze upon and that the longer they gaze upon it the more ideas will come into their minds. Mr. Minister, if I were to tell you what is in my mind at the present time you would be shocked. However, I do think that the suggestion of the hon. member for Brandon-Souris is an excellent one and it would give the design a Canadian touch. I am a very simple person and I am quite incapable of understanding that kind of art. I am not a post-impressionist or a cubist or anything of that sort. This is beyond all that. I should like the minister to say what he thinks of the suggestion of the member for Brandon-Souris, because it will give a touch of realism to something that is beyond this world.

[*Translation*]

Mr. Deschatelets: Mr. Chairman, to all that has been said about this symbol, I should like to add that it must be filed with the International Bureau of Exhibitions in Paris and all the stationery has been consequently prepared. At all events, I think that I will convey to the directors of the exhibition the reaction of the hon. members to this symbol. I will be pleased to do so and I am convinced that they will take into serious consideration the remarks made by some hon. members, especially the hon. member for Brandon-Souris (Mr. Dinsdale).

Mr. Balcer: Mr. Chairman, I am wondering if, following the proposal made by the hon. member for Winnipeg North Centre, all hon. members would not run the risk of being imprisoned, on account of the implications of clause 9 of the said bill which provides that nobody is entitled to use the symbol or have it printed.

I am wondering if by having it printed in *Hansard* we could not be found guilty on summary conviction.

[*Text*]

Mr. Knowles: We have not got past clause 9 as yet, and that is the reason I made the proposal.

Mr. Churchill: When the minister said he would bring to the directors the reaction of hon. members of this house, would he please put the adjective "unfavourable" in front of the word "reaction"?

Clause agreed to.

Clause 2 agreed to.

On clause 3—*Establishment and constitution.*

Mr. Howard: I think we should deal with subclause 2 of clause 3. The subject matter has been debated somewhat during the resolution stage, and involves one half of the 14 directors. It states categorically that they shall be appointed on the recommendation of the lieutenant governor in council, which means the lieutenant governor of the province of Quebec. Regardless of any understandings which the minister may have with

the province of Quebec, I think these understandings should be reflected in the statute so that parliament knows when it legislates something it is not left to agreement between somebody to put into effect what parliament wants.

Apart from that, I feel that subclause 2, in reality, amounts to abdication of the rights of Her Majesty's privy councillors, all of whom have taken the oath of allegiance to the country and have certain responsibilities resting on their shoulders. One of these is that it shall not be the right of the privy council to delegate its authority to the lieutenant governor of a province. This is precisely what we are doing here—giving away an inalienable right of the federal cabinet to a particular province by saying that the lieutenant governor of that province will recommend certain appointments and that there is no choice residing then in the governor in council, but that he must—it is mandatory—appoint whomever the lieutenant governor in council of Quebec recommends. I think this section is ultra vires of our legislative authority. I would not want to see someone challenge this section in the court at some subsequent time, because I believe it would be ruled ultra vires.

Then, there is another thing we should look at. Our discussions a moment ago about this symbolic design, and our discussion in the resolution stage, entirely revolved around whether or not Canada, as a national entity, was going to find some expression in the world fair. In order for that to happen, I think we must take into account the fact that there is more than one province in Canada, even although the world fair is to be held in the province of Quebec. If we want to have representation, as the minister said, on the board of directors from all regions of Canada, we should spell that out in this clause and state the areas from which we would like to have that representation. In so far as the territories are concerned, I do not think we need to mention them here, because they are under the jurisdiction of the governor in council.

However, there are provinces in Canada that I think are entitled to representation on the board of directors if they so desire. Following that of course—this is another matter with which I cannot deal at this stage—they should be entitled if they so desire to participate financially in the development of the world fair. Accordingly, I should like to move:

That clause 3 be amended by striking out lines 15, 16 and 17 thereof and by substituting therefor the following:

"(2) Of the 14 other directors referred to in subsection (1), one shall be appointed after consultation with the lieutenant governor in council of each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland, and the remaining four on the recommendation of the minister.

[Mr. Howard.]

[*Translation*]

Mr. Deschatelets: Mr. Chairman, I have no doubt that in moving this amendment the hon. member has a praiseworthy objective, but as far as we are concerned, we also want this section to be truly national in character.

That is why I promised earlier, when I said that the two directors added to the 12 now appointed will be appointed by the governor in council, to give to the corporation an adequate national representation.

Now, all the regions of Canada will be represented, but not necessarily all provinces. We have often discussed that matter and we feel that it would not be desirable to add a great number of directors to the 12 already appointed; but when the other two are appointed by us, we shall see to it that all regions are represented.

Under those circumstances, we cannot accept the amendment moved by the hon. member.

[*Text*]

Amendment (Mr. Howard) negatived: yeas, 5; nays, 52.

Clause agreed to.

Clauses 4 to 8 inclusive agreed to.

On clause 9—*Marks and symbols.*

Mr. Diefenbaker: Now, sir, I have to put one more question on the symbol. I quite understand the need for having a symbol and the need for that symbol to be protected against illegal use. The minister stated that of course parliament has nothing to say as to what the symbol shall be. We are just handed the symbol and they say, "This is it. This is the one we have registered. The directors have decided upon it, and that is final". But such is not the case, because section 18A provides as follows. I shall read the section because of its importance:

(1) The words "Exhibition", "Fair", "Exposition", "Foire", and any abbreviations thereof, whether or not used in conjunction with any of the words "World", "Universelle", "Canadian", "Canadienne", "Canada", "Centennial", "Centenaire", "Montreal", "1967" or any abbreviations thereof or with any other words or abbreviations referring to the exhibition, are hereby declared to be the marks of the corporation—

I think that portion of the section has dangerous implications but I am not going to argue that part of it. It must have been considered. However, my recollection of the "ex" in Toronto is that it is called the

Canadian national exhibition. They cannot use that title any more if we pass this section in the present form. The material portion to which I make reference at the moment and to which I direct my entire attention is as follows:

—are hereby declared to be marks of the corporation—

That is the end of that portion. Then it says:

—and the symbol reproduced in the schedule is hereby declared to be the official symbol of the exhibition.

Now parliament is to have the opportunity to determine that. The minister thought otherwise. We had a jocular discussion on it and a very jovial one, but it is a very serious matter that a monstrosity like this is going to represent my country and your country, sir—Canada—on the occasion of its 100th birthday of confederation. We would have to have it interpreted to find out somehow or another what an industrial artist had in mind when he thought this would be representative of our country. This to me, aside altogether from its artistic properties which have been examined somewhat carefully by those artistically inclined, is a monstrosity and nothing else but.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: This is to represent my country, the land of my forefathers. This is how Canada is to be represented in the exhibition that is to be part of her centennial celebrations. Canada is to be represented by that which denies all the principles of Canadian nationhood. We dealt with it in a general way, but I now deal with it particularly. I say we ought not to approve this symbol. It is not a measure upon which amendment means a lack of confidence in the government, and I am asking for support in all parts of the house for an amendment which will strike out the words:

—and the symbol reproduced in the schedule is hereby declared to be the official symbol of the exhibition.

Somebody may say, "Then anybody can use the symbol". Nothing of the kind. The board of directors can produce a symbol. They can send an amended symbol to the international exhibition board in Brussels. I go on and point out that if we strike out these words we do not allow anyone to use the official symbol, for we provide the following in subsection (2):

Except in accordance with the terms and conditions set forth in any licence that may be issued by the corporation in that behalf, or except as permitted by any bylaw of the corporation, no person shall

(a) apply to any goods or wares, or to any services,

(b) sell, offer for sale or have in possession for sale any goods or wares, or perform any services, to which have been applied, or

(c) adopt in connection with any business, or any establishment or premises in which any business is carried on,

any mark of the corporation or the official symbol of the exhibition—

If that amendment that I propose is accepted, the board of directors, after approval by the cabinet—I do not know whether that is required—could produce something that will have distinctively Canadian connotatons. I have heard the argument for generations that we must have our national symbols; we must have a distinctive flag—

Mr. Knowles: Maybe this is it.

Mr. Diefenbaker: —in spite of the fact that the crown said our flag was distinctive—

Mr. Pickersgill: Mr. Chairman, could I interrupt the right hon. gentleman for a moment and ask whether he could make available to us, for study right away, the amendment he is proposing, while he is continuing his remarks.

Mr. Diefenbaker: Yes. I have not written it out. I will tell the minister what I have here. I move, seconded by Mr. Churchill:

That the words "and the symbol produced in the schedule is hereby declared to be the official symbol of the exhibition" as set out in section 18A (1) be deleted.

I will send this over to the minister. I do not know whether he can read my writing any better than I can understand the symbolism of this; but it is a simple deletion of these words and it will in no way prevent the adoption of a symbol. That will be protected, because it is clearly set out in section 18A (2) that whatever is the symbol, it is protected. It will allow Canada to have a symbol in keeping with the traditions of her past and in keeping with what we are celebrating, namely a Canadian national event, an event great in its possibilities, bringing to that exhibition some 35 million people or more. Then we could have something that really represented Canada. This symbol could be used in Timbuktu, South Viet Nam, or any other country in the world. I am asking that the government give consideration to this amendment. I am asking that the members of the Liberal party, who are always talking about something distinctively Canadian, now remove this symbol from the bill. This will permit the directors, with the assistance of the cabinet, if the matter is submitted to them, to have something that will represent Canada.

Mr. Matheson: Mr. Chairman, may I just add a word to what has been said on this matter. I do not know to what extent this symbolism should be international or to what extent it should be Canadian; but if it should be Canadian, and if there is a possibility of following the suggestion of the right hon. gentleman which I know we have all listened to with very keen interest and, I think, sympathy, may I point out to the committee an answer that was given by the ministry on June 3, 1963, as appearing on page 560 of *Hansard*. The question asked was:

> Does Canada have a national emblem and, if so, what is the emblem?

The answer was:

> Yes; three maple leaves conjoined on one stem.

This has been the law since November 21, 1921. I might add that a similar question was addressed to the previous government and a written answer was delivered, which never appeared in *Hansard*. But both the question and answer were identical. That is to say there would appear to be no difference of opinion legally respecting the assertion that Canada does have a national emblem which consists of three maple leaves conjoined on one stem.

This is no way unsympathetic to the province within which the fair is going to be held, because if we look at the base of the arms of the province of Quebec, the identifying symbolism for the province of Quebec is on a field or three maple leaves conjoined vert—that is to say, three green maple leaves on a gold base. Therefore there is a great deal of harmony between the symbolism of the province of Quebec and the symbolism of Canada. I would ask that those who are responsible would give some consideration to what has clearly been established law in Canada since the proclamation of November 21, 1921 during the time of the Borden administration.

Mr. Regan: While I know little or nothing about the background of this symbol, I am wholly in agreement with the remarks of the Leader of the Opposition that it is atrocious. It appears to be a beatnik type of symbol and I think we should have some symbol for the world fair that would be symbolic of the nation.

Mr. Greene: I agree with the right hon. Leader of the Opposition and his artistic interpretation of whatever it may be we have before us, but this is a world fair and it was an international agency which gave it to us in Canada. I wonder whether having a completely and uniquely national symbol as the symbol of the fair might do something improper, so far as the international aspect of the fair is concerned.

Mr. Diefenbaker: I think the hon. member for Leeds has done a great service in pointing out the answer to the question of June 3 last. The hon. member for Renfrew South asks whether or not a symbol for a world fair can give any indication of the nation within whose boundaries the fair is being held. My answer to that is that there is no reason there should not be identification as to the nation. That was something we discussed when this matter was before us, and that is the best of my recollection with regard to the point raised by the hon. gentleman.

Mr. Deschatelets: We are going to accept the amendment.

[*Translation*]

Mr. Pigeon: Mr. Chairman, can the minister tell us how much the world exhibition corporation paid Mr. Hebert for that design?

Mr. Deschatelets: Mr. Chairman, I do not know.

Mr. Valade: Mr. Chairman, I wish to draw the attention of the house on the fact that when that symbol was submitted to the Canadian World Exhibition Corporation, the former general commissioner and his deputy were opposed to it.

I merely wanted to put on record that this design was not accepted by the former general commissioner and his deputy.

[*Text*]

Mr. Prittie: I think the minister is making a mistake in accepting the amendment from this group of self-appointed art critics. I only hope he does not bring his designs for future public buildings to this house for decision.

Mr. Pickersgill: I must say I have a certain amount of sympathy with what the hon. member for Burnaby-Richmond said. I doubt if we would ever have a national gallery in Canada if we permitted the members of the House of Commons to be the committee of selection. But after all, we did submit this to the house. It has been submitted for the judgment of the house. There has been a preponderance of view in one direction, but possibly a compromise can be found in this matter. I hope this will be a lesson to all future governments not to submit art for legislation. We are not elected to parliament in our capacity as art critics, but for other reasons.

[*Translation*]

Mr. Deschatelets: Mr. Chairman, would the committee be willing to interrupt its proceedings for a minute? We are considering the

amendment, so as to avoid any inconvenience, and I would ask that the vote be delayed a few seconds.

Mr. Pigeon: Mr. Chairman, since the minister is requesting a delay, I should like to take this opportunity to ask him whether he could assure the house that the suggestion made by the Leader of the Opposition will be accepted and that a maple leaf will be included in the design.

Mr. Deschatelets: Mr. Chairman, it is not up to us, but to the Canadian World Exhibition Corporation to decide that.

[*Text*]

Mr. Scott: On the subsequent point that was raised by the Leader of the Opposition, as to whether the passage of this clause will in effect prohibit the Canadian National Exhibition from continuing to use its name, the clause appears to forbid the use of many words, such as "exhibition," "Canada," "Canadian," etc. There is a serious conflict here that ought to be resolved.

Mr. Deschatelets: If the hon. member would refer to clause (9), 18A(4) he will find the answer to his question. Mr. Chairman, I suggest you call the other clauses and we could come back to this one.

The Deputy Chairman: Does the committee agree we shall stand clause 9?

Some hon. Members: Agreed.

Clause stands.

Clause 10 agreed to.

On clause 11.

Mr. Knowles: Should not clause 11 stand too until we see what we have done with the amendment?

Mr. Pickersgill: Perhaps if we all relaxed for a moment or two it would not do us any harm.

Clause 11 stands.

On clause 9—*Marks and symbols.*

Mr. Knowles: Is that the effect of the symbol?

Mr. Diefenbaker: Mr. Chairman, I think the Minister of Citizenship and Immigration agrees that we delete the words suggested in my motion, namely:

—and the symbol reproduced in the schedule is hereby declared to be the official symbol of the exhibition.

Then we can substitute the additional words. I would ask to place that amendment before the committee, and then the minister will move his amendment to provide the substitutive words.

Mr. Favreau: It would then read as follows:

That lines 39, 40 and 41 on page 4 of the bill be deleted and replaced by the following:

"corporation, and any symbol adopted by the corporation not later than December 31, 1964, is hereby declared to be the official symbol of the exhibition as of the date of its publication in the Canada Gazette".

And I will move that clause 11 be deleted.

Mr. Pickersgill: I suggest that the whole amendment be treated as moved by the Leader of the Opposition.

Mr. Knowles: If that is agreed I assume that the last few words uttered by the Minister of Citizenship and Immigration are not part of the amendment to clause 9. His last few words were: "and that clause 11 of the bill be deleted". The actual amendment to clause 9 surely stops before that. He is suggesting that later, when we get to clause 11, we delete the clause.

Mr. Favreau: That is a forecast of the probable future.

Mr. Diefenbaker: Then my motion is simply that those words be deleted from section 18A of the act, namely the words:

—and the symbol reproduced in the schedule is hereby declared to be the official symbol of the exhibition.

Substituted therefore will be the words placed before the committee by the minister of immigration.

The Deputy Chairman: Shall the amendment carry?

Mr. Diefenbaker: Just one matter, Mr. Chairman. It will, of course, be brought to the attention of the corporation that the general feeling of members everywhere is that there should be something distinctively Canadian about this. I was particularly impressed with the suggestions made first by the hon. member for Brandon-Souris, who said the maple leaf should be represented, and then by the hon. member for Leeds, who pointed out that in answer to a question put some months ago it was stated that the official emblem of Canada is three maple leafs.

Mr. Deschatelets: This point is well taken, Mr. Chairman.

Amendment agreed to.

Clause 9 as amended agreed to.

On clause 11.

Mr. Favreau: In view of the amendment that has just been accepted, I move:

That clause 11 be deleted.

Mr. Knowles: Is that necessary, or can we not just vote it down?

The Deputy Chairman: I then declare clause 11 negatived.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Batten): When shall the said bill be read the third time?

Some hon. Members: Now.

The Acting Speaker (Mr. Batten): By leave, now.

Mr. Deschatelets (for Mr. Pearson) moved the third reading of Bill No. C-120, to amend the Canadian World Exhibition Corporation Act.

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

SUPPLY

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

DEPARTMENT OF INDUSTRY

The Deputy Chairman: House again in committee of supply. Estimates of the Department of Industry, the estimates of the national research council.

National research council—

10a. Assistance toward research in industry, $500,000.

Mr. Herridge: Mr. Chairman, on some previous estimates a few hon. members were misinformed as to their opportunities to speak on the emergency measures organization. The minister later said that it would be all right during the estimates on the Department of Defence Production to speak about this subject. Have I a correct understanding of the situation?

Mr. Drury: I suggest this be done right away. If there are members who did wish to speak on the emergency measures organization and who have not done so by reason of our speed, I suggest they should speak right now.

Mr. Peters: As one who is interested in emergency measures, may I say it was not my intention to speak on the subject, but I do think the minister should say something about the changes which are taking place. The organization has been in a state of confusion for some time, and now that he has an opportunity of assessing the situation perhaps the hon. gentleman would wish to take this opportunity of clearing up a number of the doubts which have arisen. I do not wish to take up the time of the committee by putting forward views which I have expressed in the past. However, there is some confusion in the minds of those who are serving voluntarily in this field and the minister might help to clear this up by indicating the attitude which the government intends to take.

Mr. Herridge: I do not intend to take up very much time on this item, but I promised certain people in my constituency who are interested in the emergency measures organization that I would say a few words about it. There can be no question that there is a lack of direction in the country with respect to this organization. Policies are being carried out which are now suspected of being obsolete and there has been a decline of interest in the organization in many quarters. I personally believe this organization will not be successful unless the training given to members includes training to deal with disasters of all types. I think training of this type would interest a great many people, including possibly those who feel that there is no adequate defence against an attack by nuclear weapons.

In this connection I should like to read from an article which appeared in the *Financial Post* of October 19. The heading is: "If the Big Bomb drops, can EMO Cope?" and there is a further heading which says: "The harsh truth is that it can't".

> This poses some difficult questions for Drury and his advisers:
>
> There is the over-all policy question: should EMO still be formally oriented toward nuclear war or should it now be officially aimed toward natural disaster work?
>
> Although much of the work that has to be carried out serves both purposes anyway, a rethinking of the main direction of civil defence wouldn't mean scrapping all—or even most—of the existing structure.
>
> But there are still purely "nuclear" programs underway. For example, Ottawa and the provinces spent $602,500 in the last fiscal year on radioactivity measuring instruments. These would be useful to tell the public when radioactivity was reaching dangerous levels, but if the public has nowhere to go to get away from it, does it gain much by knowing?
>
> Should Ottawa go on urging Canadians to build fall-out shelters?

Some people here are still being urged to build them though Great Britain gave up this policy two years ago. The article goes on:

> If the Berlin wall and the Cuban blockage couldn't get the Canadian public digging, what hope is there now?
>
> Drury has other heavy responsibilities—the new Department of Industry, Defence Production, government research and five crown corporations—and hasn't had much time to tackle these civil defence questions. He was to begin a detailed policy examination this week.
>
> Whether it will lead to any basic changes remains to be seen. But one thing is certain: thanks to the threat of nuclear war, Canadians are now better prepared than ever to look after themselves in any local or national emergency. It is a happy side advantage from an unhappy era.

I do not intend to speak at any length on this subject. But I would bring to the attention

of the minister the fact that there is a great deal of uncertainty about this program. It is too late in the session to deal with the question in any detail but we hope the minister will turn his attention to this matter and give direction to the Canadian people who are interested in this work, so that they may get some leadership along the lines suggested in the article from which I have quoted.

Mr. Peters: Does the minister intend to explain what the government's intentions are?

Mr. Drury: If there is no one else to speak on this item, perhaps I might say, very briefly, that the purpose and function of the emergency measures organization are closely linked with defence policy. The committee is fully aware that the whole of our defence policy is currently under review. This organization is its corollary. The two are proceeding hand in hand. It would be my hope that about the time that there is, in the new year, a new formulation of defence policy there will be, to the extent necessary, a new formulation of the EMO approach.

I am in full agreement with the remarks of the hon. member who suggested there should be a duality of purpose in the approach of the emergency measures organization—that the organization should be prepared to cope not only with nuclear disaster but with natural disasters. This is a consideration which is being borne in mind in the review which is currently taking place.

Item agreed to.

Public printing and stationery—

5. Purchasing, stationery and stores, $1,247,900.

Mr. Fisher: I wonder if the minister is now in a position to tell us who the queen's publisher is to be.

Mr. Drury: As the office has not yet been established it is a little premature to announce an appointment.

Mr. Fisher: Why has there been this delay? There was every indication several months ago that a publisher would be named. As a matter of fact, a certain civil servant let it be known—his name appeared in the paper with the title "queen's publisher" after it—that he had been appointed. Nothing has been done, officially, to support this claim. What has caused this delay in implementing what were apparently sure intentions early in the fall?

Mr. Drury: The intention to establish the office of queen's publisher is as firm as it ever was. There were, and still are, details to be worked out with regard to both administrative and legislative changes, particularly legislative changes, needed to bring this intention into operation. As the committee will be aware, the Glassco commission made certain fundamental recommendations. These recommendations are now being reviewed in detail and it will not be until this review has been completed and new legislation prepared that it will be possible to establish the new office.

Mr. Fisher: I have two further questions to ask. Is there any intention at the present time to spread the contracts which will be entered into for both printing and other types of supply over a wider field in Canada? Will there be an attempt to spread these opportunities beyond the Montreal-Ottawa-Toronto axis? The second question is this: Has the minister anything to report on the operation of a caisse populaire within the establishment of the queen's printer over in Hull? I raised this matter with him on an earlier occasion.

Mr. Drury: Mr. Chairman, in so far as spreading contracts is concerned, as the house will be aware the Department of Defence Production is in the process of itself being reorganized to undertake the general supply function for the government and included in the supply function will be responsibility for the procurement of stationery, office machinery, forms and the like. The Department of Defence Production has followed a successful practice of equitable distribution of this work at the lowest possible cost and the same techniques and policies will be applied in respect of printing, supplies, stationery, forms and so forth.

In so far as the caisse populaire of the printing bureau in Hull is concerned, I do not have much to report beyond what I have told the hon. member for Port Arthur privately, namely, that this is a co-operative venture on the part of employees of the printing bureau in Hull and represents a co-operative banking effort on their own behalf. As I also told him, in my view this kind of co-operative effort and form of voluntary association for communal purposes is desirable.

Item agreed to.

The Deputy Chairman: This concludes the estimates of the Department of Industry.

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

1. Departmental administration, $976,200.

Mr. Orlikow: Mr. Chairman, it is not my intention to make the kind of speech I ordinarily would make if it were not so late in the session. I should have liked, for example, to discuss in some considerable detail some of the things which I feel need doing very badly with regard to the problem of Indians.

I must say it is very difficult to be critical of the minister because he has made some very fine speeches, very liberal, with a small "l", and he has not only made good speeches but, in addition, when members, and I include myself, have gone to him with particular problems he has shown a very deep interest and a sympathetic approach. However, when it comes to the problems of the Indians it seems to me we have a very long way to go.

I want to give one illustration of the kind of thing which I think needs to be done. I put some questions on the order paper recently with regard to the efforts of the Department of Northern Affairs and National Resources to foster co-operatives for the Eskimos and similar questions with regard to the efforts of this department in the fostering of co-operatives for Indians. If the minister will take the time when the house adjourns to look at the answers, he will see precisely what I mean. The Department of Northern Affairs and National Resources has specifically assigned two or three people to work full time on this matter actively and aggressively, with the result that there are 14 or 15 very active and successful co-operatives among the Eskimos of northern Canada. But the answers I got with regard to the support of co-operatives for Indians would indicate there is nobody working full time on this job in the minister's department, and that anything which is done is largely done through the efforts of provincial departments, and that if there is any success it is almost incidental to a large extent.

If we are really thinking in terms of solving the Indian problem we must think not of giving them welfare but rather of getting them to be able to function on their own. I can think of no better way of getting them to function on their own than to form co-operatives, both producer and consumer, where they will be responsible to themselves and will look after themselves instead of waiting for the department or the church or the Hudson's Bay Company or some other organization to do it for them. Without going further today, into the problem of the Indians, I suggest to the minister that he should look at this matter very seriously.

I should also like to say a few words about the question of citizenship. Here again I must say I am more than satisfied with the specific responses I have had from the minister with regard to actual cases. But it seems to me, Mr. Chairman, that if the minister has to solve a case himself there is an admission right away that we have failed because the standards should be so clear and simple that these cases should be solved before they get to the minister. The minister has said that he is reviewing the standards, and I hope he will continue to be the minister long enough to be able to solve this problem and lay down policies and standards much more suited to the 60's before he leaves for another job. The revision of the standards for citizenship is long overdue.

I am one of those people who believe that the democratic system of society under which we supposedly live is the best system we can have. If this is so, it seems to me we should not worry too much whether or not a few people who have some doubts about citizenship and our democratic way of life receive citizenship. I know, and I am sure the minister knows better than I do, that in every city in Canada where there are ethnic groups, non-French, non-Anglo-Saxon, some of these people having come here before world war I, there are hundreds if not thousands of people who have not been able to get their citizenship. I have in mind Ukrainians in Winnipeg and probably Finns in Port Arthur. I could go down the list in each area where there are people of the various ethnic groups.

The answer up till now has been that these people are members of the communist party or members of organizations which have been classified as being sympathetic to the communist party. I hold no brief for the political views of these people. I have fought the communists at every turn over the years. In my constituency there are probably as many as in any other constituency in Canada, and I have fought them all my life. At the same time, however, if in 1963 we refuse to grant the right to become citizens to persons who have lived in Canada since 1915 or 1920 simply because they are, or are supposed to be, communists it seems to me we have not got very much confidence in our democratic way of life. It seems to me that if the minister is going to look at the standards of citizenship, then this is something at which he should look very seriously.

There is one more point I should like to make, Mr. Chairman. In recent years a number of people from the United States have come to Canada. Many of these people are highly qualified in various fields, such as science, town planning, and what have you. They have been appointed to some very responsible positions in Canada. I can think of one whose name I shall mention because he has been referred to in the press, namely Mr. Blomenthal of the city of Toronto, who has been the chief town planner of that city. I can think of several who are scientists who have represented Canadian organizations within the fields in which they are working at various international scientific conferences. We thought enough of their abilities and their

qualifications to let them come into Canada. They are holding responsible jobs. I think of one who is doing work that the government of Canada thought so important they erected a building costing a couple of million dollars in which he could work. Some of these people have applied for citizenship and have been turned down. I can think of nothing more stupid, nothing which indicates more to me that we really have not got confidence that our democratic society will work, than this action. If we had that confidence, we certainly would not turn down citizen applications from people like these. I think the minister should have a careful look at this situation after the house adjourns and he has the time to do so. Many of these cases have been on his desk for some time.

I should like to say a few words on immigration. I was glad to hear the minister say that the government intends to follow a more aggressive policy than it has. I was glad to hear the minister say that his objective for the next year is to have more than 100,000 immigrants come to Canada. There will be general agreement with this policy amongst the population. The labour movement of Canada, for obvious reasons, has been skeptical of a policy of mass immigration. After all, when you have 500,000 or 750,000 people unemployed, the trade unions that were formed to protect the conditions and way of life of their members cannot be blamed if they are a little worried. They have made it very clear, however, that they support increased and continuing immigration into Canada, provided we keep in mind the problem of unemployment.

On the other hand, Mr. Chairman, they have also made it very clear, and they did this as early as 1957, that they are completely opposed to the discriminatory immigration policies of past governments on the basis of race, religion and colour. I should like to quote a couple of sentences from their submission to the government in October, 1957. This is the submission of the Canadian Labour Congress and reads in part as follows:

> The present Immigration Act is thoroughly unsatisfactory. It was passed without giving anyone but a few government departments and the transportation companies any opportunities to be heard. It contains a series of provisions which are a threat to civil liberties which the British people fought for centuries to establish. It enshrines the vicious principle of racial discrimination. It gives the administration sweeping and arbitrary powers, with a minimum of judicial control. It has been administered in a high-handed spirit which has often totally disregarded elementary human rights. Immigration officials overseas have often been imperfectly informed of conditions in Canada, and have accordingly misinformed intending immigrants, and induced people to come here at times when it would have been better if they had stayed at home.

The Prime Minister and the Minister of Citizenship and Immigration have been making speeches in which they try to create the impression that Canada's immigration policies have been shorn of their discriminatory and racialist slant. Thus the Prime Minister said in parliament on October 18, 1963:

> —I should like to make it clear that the present government, like its predecessor, is firmly opposed in principle and in practice to racial discrimination.

He said that, Mr. Chairman, when he was asked a question about the refusal of the United States government to permit Mr. Wayson S. Choy, a Canadian citizen, entry to the United States. This is a very laudable statement of intent, but it does not really fit the Canadian situation. If we examine the Canadian Immigration Act, and more particularly the regulations which have been promulgated by the department over the years supposedly to carry out the intent of the act, we can see how far we have strayed from this very fine statement of principle which the Prime Minister expressed on October 18.

Permanent admission to Canada is regulated by the Immigration Act. There are a whole series of prohibited classes, including of course people who have been convicted of certain criminal offences, people with communicable diseases, people who have been guilty of having subversive associations, etc. Section 5 of the Immigration Act lists classes of persons prohibited from entering Canada. Subsection 1 of this section prohibits members of subversive organizations from entering Canada. Under this section any person who has, while living in a country behind the iron curtain, attended a university can and probably will be prohibited from immigrating to Canada since in all likelihood membership in the young communist league of that country was probably a requirement of university attendance. It seems to me that this provision is completely unnecessary.

Section 5, paragraph (t) prohibits the entry into Canada of persons who cannot or do not fulfil or comply with any of the conditions or requirements of this act, or the regulations, or any orders lawfully made or given under this act or the regulations. This section, gives unlimited power to the officials of this department to refuse entry into Canada to anybody on any ground or without any ground because the decision rests entirely on the whim of the departmental officials. I am not saying they use this section, but the fact it is there gives them unlimited power which I think is an unnecessary power in a democratic society.

Now, the main control on the admission of immigrants to Canada is based upon regulations passed by the cabinet, under the authority of the act. These regulations can, of course, be changed more readily than the act itself. Under these regulations, Mr. Chairman, we make it much more difficult, in fact we make it virtually impossible, for people from Asia and Africa to come into Canada. Certainly, it is much more difficult for them than for people in other parts of the world. In other words, what we have done has been to apply the principle that George Orwell talked about in his book "Animal Farm", when he said, "All pigs are equal but some are more equal than others." We have said that all people are equal but some are more equal than others.

Section 61 of the Immigration Act, which deals with the regulations which may be made by the governor in council, permits,

> (g) the prohibiting or limiting of admission of persons by reason of
> (i) nationality, citizenship, ethnic group, occupation, class or geographical area of origin.
> (ii) peculiar customs, habits, modes of life or methods of holding property,
> (iii) unsuitability having regard to the climatic, economic, social, industrial, educational, labour, health or other condition or requirements existing, temporarily or otherwise, in Canada or in the area or country from or through which such person comes to Canada,
> (iv) probable inability to become readily assimilated or to assume the duties and responsibilities of Canadian citizenship within a reasonable time after their admission.

Mr. Chairman, if there is any way in which the department could find an excuse to keep a person out other than those listed here, I certainly cannot think of one. In this section you are talking about things such as customs, habits, climatic conditions, and so on, and of course if the people in the department think the number of non-white people in Canada is as large as they want it, they could—they have done this in other years, although I do not say it is done now—take the attitude that people from the West Indies, for example, ought not to come here because the climate of Canada is cold—it is certainly cold today—and therefore these people would not fit into our country.

It seems to me that the time to stop this nonsense has long passed, and I think the minister should really get at it. I think these kind of racial and religious prejudices should have long since been eliminated in Canada. Under section 31 of the regulations with respect to the Immigration Act, which deals with handling requirements and specifies the type of classes permitted to enter Canada, subsection (d) says that the following may enter:

> A person who is a citizen of any country of Europe, including Turkey; of any country of North, Central or South America or islands adjacent thereto, or Egypt, Greece or Lebanon—

In other words this regulation can be used to bar people from every country in Africa and every country in Asia but Turkey, Egypt, Lebanon and Israel. How much more discriminatory could we get, even if we tried harder? I think it is time the government made public a statement of policy showing clearly what the government, rather than the officials of the Department of Citizenship and Immigration, consider to be necessary standards of training for admission to Canada and what sort of economic circumstances in Canada are required when the number of immigrants to be permitted to enter Canada is decided.

Parliament contemplated giving an applicant a hearing by a special inquiry officer. If that officer found a person was not admissible, that person should have the right of appeal. But the regulations have now been expanded to say that a person can have a hearing only as to whether or not he has a visa. If the department officials think a person undesirable, they do not have a hearing on the reasons for that person being excluded. They have a hearing only on whether the person has a visa, which the department has already refused to grant. Thus they never discuss the real reasons for exclusion. Unfortunately, Mr. Chairman, the supreme court has upheld this right of the department. It seems to me that the immigration appeal board, which is now composed of former or actual immigration officials, should be completely and totally divorced from the department. It should be required by the act or the regulations to give reasons for its judgments, and should have authority to make recommendations to the minister.

Further, Mr. Chairman, it seems to me that prospective immigrants should have the right to appeal and also the right to be told why they are being turned down. They certainly do not have this right at the present time. These are just a few of the things which I think the minister should look into. I hope he will have a chance to look into them before he leaves this department, if he does, because I think if before the house meets to discuss the estimates in the next session the minister changes the regulations and recommends changes to the act, it will please members of the house, certainly those in this group, and I think it will please most of the people in Canada.

Mr. Peters: Mr. Chairman, I know this is a very important department, and because of several facts I do not intend to take up much time. I consider the minister to be a very

capable minister and congratulate him on the action he has already taken in relation to the Indian affairs branch of the department. I would only like to point out that I asked a question which was made an order for return on November 20. It is not really important for me to see this order for return, but it will be of interest to the minister. A very large number of people have been brought into Canada under order in council over the last 10 or 15 years. There are exceptions to the rule, but unfortunately the Liberals used this method to a greater extent than is generally known, and it has led to many abuses being committed. I have discussed with some of the Chinese population some of the problems connected with the amnesty program of this department over the last several years. One of the problems has been the lack of diligence on the part of the ministers of citizenship and immigration, and certainly the lack of toughness. We were assured there were going to be changes and this problem was going to be straightened out. I am sure there are exceptions—there are always exceptions—but the exceptions have become away out of proportion. I know there is a large number of Chinese amnesty orders in effect. A person in Canada applies for amnesty under this amnesty order and a report is made to the minister as to the corrected situation in relation to their admission to Canada. In many cases there are abuses, and this is obviously not in the interests of Canada.

I have suggested to the Chinese people in my area that they should publicly state their case and should appeal to the minister in this regard. I was naïve enough to think that by giving amnesty you would stop this difficulty, but if anyone wants to look into this matter he will see that a multi-million dollar racket cannot be stopped, no matter what we do. I am informed by the R.C.M.P. that the problem is still prevalent in my area and it is prevalent across Canada. They are trying to do something about it and are meeting a certain amount of resistance from the Chinese people themselves. Under the system in effect the R.C.M.P. look into the file and receive from the immigrant the correct information as to his status. Then the R.C.M.P. come back to the order in council. No matter how illegal the act was, no matter whether a member of parliament received consideration for making the recommendation that was finally approved under the blanket order in council, no matter what the circumstances were and no matter what the arrangements were, the R.C.M.P. are not able to go behind the order in council, because it has legalized any action that may have occurred illegally up to that stage.

I have asked for the production of these orders and am interested in them personally. There are law enforcement officers who are interested in them. People in my riding are interested in the problem, because we have quite a large number of immigrants who are interested in establishing a true status for themselves. They were brought into this country through no fault of their own, under circumstances that did not meet the requirements of the act of the day. I believe this situation should be corrected. I know the minister will look into the problem and I suggest that he take one of these orders in council which affects someone who has long gone from this house. You can pick somebody who is here, if you wish; but I suggest you pick somebody who has died. I think that would be preferable. The minister should take that order in council and make an example of the one case by going back beyond the order in council, laying the charges and doing the things that are necessary to eliminate the arrangements which allow people to come here, under order in council, in an illegal manner. I suggest this in all sincerity because, as the hon. member for Winnipeg North said, we deserve a much better immigration law than we have. Very few of us are natives, and most of our ancestors came from somewhere else. That is the history of the Canadian nation.

We now find many abuses and large involvements in certain areas. These must be curtailed. The minister is the only minister who has been in charge of the department, since I became a member of parliament, who appears capable of handling the problem, and I hope he gets a chance to look at the immigration section of his department before he receives a call to higher office.

Mr. Dinsdale: Over the years I have been interested in the estimates of the Department of Citizenship and Immigration, and it can be agreed that slowly but surely we have been making many improvements in this very important area of Canadian activity.

I was pleased to hear the minister indicate that he will continue and expand the new humanitarian emphasis that in recent years appeared in relation to immigration matters, and that he hopes the target of 100,000 newcomers will be reached in the next fiscal year.

There has been an improvement in the attitude of Canadians generally towards immigration matters, resulting from a combination of circumstances, such as the activities of the United Nations organizations operating in this field, and the voluntary groups that have carried out extensive adult education programs among Canadians. I refer in particular to the work of the Canadian citizenship

council which has branches in every part of the country and has an adult education program as one of its main functions, interesting Canadians in improving the immigration laws, and their attitude toward Canadian citizenship.

It will be agreed that the changes introduced in the regulations in February, 1962, were a step forward. One of the complaints hon. members had concerning the regulations was their attempt to define qualifications for intending immigrants for the purpose of maintaining what might be described as an elusive ethnic balance. To me this always had some element or overtones of discrimination, and the new regulations, placing the emphasis on skills and training rather than on conforming to an indefinable ethnic balance, are a much fairer approach.

Another improvement in the regulations was the inclusion of unsponsored immigrants. The element of sponsorship was restricted to a very narrow group, or rather I should say unsponsored immigrants, and this narrow group mainly included the old commonwealth countries and the western European countries. This meant that, with the improving standards of living in Europe and the United Kingdom, the traditional sources for large numbers of new citizens were rapidly drying up. Prior to the regulations being changed in 1962 there had been a declining inflow of immigrants from those traditional sources, and I would presume that it is largely because of the changes in the regulations that we can now anticipate the increase that was mentioned by the minister. As a matter of fact there was an encouraging increase last year.

Before I leave this point I would like to say there has been a tendency to be more restrictive on applications for intended immigrants from Greece than from other similar parts of Europe. I have found, in my own personal experience, it has always been more difficult to get approval, particularly for unsponsored immigrants, from Greece than from other countries of Europe located in the same area.

I wonder if the minister could indicate to us to what degree the change in the regulations has resulted in the increase of immigrants. Is it possible to separate numerically the improved immigration figures on the basis of the broader approach taken by the amendments to the regulations in 1962?

I was also pleased to see there has been a tendency, along these same humanitarian lines, towards encouraging the reunion of family groups. Again this is due to the broadened regulations. Before they were changed they were so narrow in their application to Chinese immigrants as to be almost prohibitive. If I wished to be sensational I could relate many tragic experiences of Chinese Canadians during the early '50's when it was impossible for them to bring their wives or married children over to this country, due to the very restrictive nature of the regulations.

I am also pleased to note that the minister will proceed to amend the act as quickly as possible. As I have already indicated, it is one thing to amend the regulations; but regulations must be reinforced by specific legislation, and I am sure that the minister will be assured of support from all sides of the house when he moves to bring the Immigration Act into line with the more humane approach which has developed in Canada, and in the world generally, toward these matters.

I should like to say a word in the area of the minister's other responsibilities, concerning the superintendent general of Indian affairs, and I will be brief owing to the shortage of time. I am pleased to see that here too there has been a tremendous improvement in the attitude of members of this house, and of the Canadian public generally, in respect to the rights of our first citizens. The Canadian Indian, if we look back in historic perspective, has been subject to segregation, neglect and discrimination in every respect. From time to time sensational situations develop which bring to the attention of the public some of the extreme problems in looking after the welfare of these, our first citizens. I recall it was just a year ago when Manitoba was exposed to a rather sensational amount of publicity regarding a situation which developed in one of the reservations in northern Manitoba. If the searchlight of publicity had been applied at the same time to any of the other reservations, I am sure a similar situation would have been exposed. However, since the unlimited franchise was extended to the Indian population of Canada—this is also a recent occurrence; I believe in 1960—politicians have become interested. We have had more discussion in this house concerning Indian affairs than ever before. The Indians themselves have become interested in public affairs. I have noticed this in my constituency, in which there are two reservations. It is now possible to hold regular public meetings in which the residents of the reservations take a very keen and active interest. But I think even more encouraging has been the expansion of interest to neighbouring communities. Segregation, out of sight, out of mind, has been the great curse of our Indian problem. The fact that these our first citizens were isolated

on reservations kept the problems largely hidden from the population generally.

I want to encourage the minister and the department along the lines of the encouragement already given to voluntary groups which are now appearing in communities right across Canada. I believe financial assistance is available to friendship societies, for example, where they are formally organized and make application to the department for such assistance. I am wondering whether it is possible to get some idea of the number of friendship groups or societies which have qualified for the available grants. Here at long last is an attempt being made on the part of Canadians generally to make contact with the people on the reserves, to introduce them to the community, and in turn to have regular contacts and associations with the Indians in their own reservations. It seems to me that this is the best way to deal with a problem which has been with us for far too long.

With regard to education, again we are moving forward. The program of integration of students in our community schools has, I think, been the most progressive approach to this problem in recent times. In the past four or five years in which it has been in operation I have seen the schoolchildren in the reservations of my own constituency almost entirely removed from this double situation of segregation—educational segregation as well as ethnic segregation—and fitted in happily with the schools in the surrounding communities. There have been expressions of approval not only by the Indian population themselves but also by people who for the first time are having Indian children to their homes—because some of these youngsters are boarded—during the Christmas recess, and making important contacts in this way.

Another major difficulty with our first citizens is the economic problem. Here is one area in which we have not made much progress. I know there are special placement officers who have been appointed who are beginning to do outstanding work; but if we are really going to tackle the problems of our first citizens which are so well known, next to the educational solutions we must have some kind of program which will make it possible for them to find suitable and adequate economic means of supporting themselves.

I am sure the minister agrees that the ultimate objective in all these programs is to move the Indian population toward full citizenship as quickly as possible. As a former minister of northern affairs I know this was my objective with the Canadian Eskimo; while there are some differences of approach to the problem here, as the hon. member for Winnipeg North indicated, I know there is general unanimity in the Department of Citizenship and Immigration, as well as in the department of northern affairs, to move these first Canadians toward full citizenship as quickly as possible. This can be accomplished only as the concept of community development pioneered by my native province of Manitoba in recent years is accepted in each provincial area. Until we can develop a spirit, a self-propelling spirit, in each of the Indian reservations which gives them the motivation and creativity to come to grips with their own problems, we are not going to make it possible for these first citizens to become real first citizens in fact as well as in name.

[*Translation*]

Mr. Choquette: Mr. Chairman, since immigration is a vital matter, I apologize for having to take the time of the committee to make some brief remarks.

Mr. Chairman, I wish to offer my heartfelt congratulations to the Minister of Citizenship and Immigration (Mr. Favreau) for the stirring speech he delivered a few days ago in Quebec city. Should he also be congratulated for his tactful blame of the Quebec provincial authorities?

Indeed, immigration is an extremely important and even crucial matter if one considers, for instance, that from 1951 to 1961 the population of Canada increased by 4,230,000 and that 25 per cent of that increase must be ascribed to immigration.

I should like to submit to the house a few figures I compiled; they go back to 1926. I hope I will be able one of these days to go as far back as 1867.

At any rate, those figures indicate that 3,102,449 immigrants were admitted to Canada between 1926 and 1962. Mr. Chairman, I do not mean to be aggressive or spiteful but I should like to point out that these figures indicate that there is a real threat to French Canada. Only 90,206 of those immigrants were French speaking and, by that, I mean specifically French speaking people like Belgians and Frenchmen. On the other hand, immigrants of Anglo-Saxon origin, that is the English, the Scots and the Irish, totalled 1,038,888.

Mr. Chairman, the difference in numbers is fantastic. I am not saying that all of the 3,102,000 immigrants were English speaking but I wonder if the Department of Citizenship and Immigration could make a special effort to translate into practice the principle of biethnism we hear so much about.

Messrs. Laurendeau and Dunton may well indulge in semantics to define the words

"biculturalism", "bilingualism" and "biethnism"; it will be a loss of time if there is no one left in Canada who speaks French.

Mr. Chairman, I welcome to our fine and great country people from the British isles and elsewhere. Everybody is welcome as far as I am concerned.

We want to create a Canadian ideal based on the fundamental respect of the rights of the two great races of which we are proud.

Mr. Chairman, let us not, therefore, hand to the extremists of our country a weapon they try to use to their advantage, especially in the province of Quebec, where there are bad Canadians who want to break up confederation. We, the Liberals of the province of Quebec, are trying to prevent this because we want to maintain confederation as radiant as possible.

In order to do so, however, it is essential that the decrease in population among French speaking Canadians, which has taken alarming proportions according to the figures I have just quoted, should be stopped.

Consequently, I earnestly ask and I even beg the Minister of Citizenship and Immigration to make a firm and continued effort to redress that difference which has worked against French Canadians. I suggest that if 25 per 100 of the increase in population from 1951 to 1961 is due to immigration, a good and a sound immigration policy can help to save confederation.

[*Text*]

Mr. Fisher: Many things have come up in the debate, including the contribution of the hon. member who has just spoken, that I should like to get into. My disappointment is most bitter in connection with the fact that I have a great number of Indian problems. I think I represent as many Indians as anyone in this house, between six and seven thousand; no one is sure of the number. Honestly, they are in the most pitiful condition of probably any inhabitants of Canada, and there are a great number of questions to ask and remarks I should like to make in connection with them, but I will give them over in the main and stick to questions.

Before I do, I would remind the minister of the remarks made by my hon. friend from Timiskaming, and the need to investigate the orders in council in that situation. I want to be even more specific and blunt than the hon. member for Timiskaming. I do not know whether the minister is aware, but this is what he was suggesting, that a number of members of parliament in the past have worked on this kind of case and have used their influence to smooth this kind of arrangement. What we would be interested in knowing is that this practice has been stopped by this government, and that there is no possibility of this being an avenue for the kind of private patronage available to any member of parliament. If the minister would like some names of members of parliament from previous parliaments and would like to see the record checked in this regard, I will be glad to provide him with three or four.

I should like to ask the minister one question with reference to immigration. It relates to the fact that for a number of years—

Mr. Lambert: Is the hon. member suggesting that a member of parliament should not intervene on behalf of the constituents who are having difficulties with respect to immigration or citizenship? Perhaps he would tell us just what he means.

Mr. Fisher: I have got all kinds of letters here where I have intervened. I am referring to the situation where certain members of parliament have acted as a regular channel over the years. In most cases they are lawyers, and there has been a fee exchanged. That is what I am referring to. It is something distinct and special and, I think, a bad situation.

I should like to point out to the minister that there has been a great big holdback in the coming to Canada of Italian people who have qualified. As a matter of fact, I think three years ago there were some 59,000 people who had qualified to come to Canada and who were being held up. I have a large Italian population in my riding. This pressure is upon me all the time. The minister has told us that the Italians who come to this country are very seldom involved in crime, relatively speaking, and that they have a great sense of inner responsibility. This is one of the reasons why a lot more of these people could be brought into this country as a responsibility of their relatives. Instead, what seems to be the situation is that the demands which are being made on relatives in terms of bank accounts, housing facilities and requirements such as that have been increased in the last year or two, rather than decreased, and I would like to know from the minister on his estimates what the holdback figure is at the present time and whether it has been much reduced.

I will call it six o'clock.

Mr. Pickersgill: There was some question left last night, depending on the progress made, whether it might be the disposition of the committee to sit during the supper hour. I thought I would just find out.

An hon. Member: No.

Mr. Douglas: I think it is perfectly apparent that we have not made the progress which had been anticipated, and that there is no prospect whatever of our being able

to finish tonight. Had there been some prospect of doing so we would have been prepared to sit through the supper hour in order to try to finish the work. But there are two important departments, the Department of National Defence and the Department of External Affairs, whose estimates still have to be dealt with, and it is apparent we shall have to sit tomorrow.

Mr. Pickersgill: It seems to me that the hon. member has made a most eloquent argument in favour of sitting during the supper hour. But since there is no unanimous agreement, it is now six o'clock.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 7 p.m.

Mr. Fisher: Mr. Chairman, just before the break I was talking about the question of Italian immigration. I should like to add that I believe it is time for our government to talk firmly, directly and brutally to the Italian government about the fact that it is so difficult for Italians with any techniques or training or skills to get out of Italy to come to Canada. Very many of them are now going to Germany, France and the other common market countries. There is a very large flow there, but I think the minister and his officials will have to admit that there is a tendency on the part of the Italian government and officials to block off this kind of skilled person coming to Canada and, of course, there is encouragement on the part of the Italian government for unskilled people to come to Canada. I think we can absorb a good many of the unskilled. We have and they have made their way and have risen very well, particularly in the business world, the construction world and in carpentry. I do not know where our construction industry would be today if it were not for the Italians and the contribution they have made.

But I suggest we need to talk very directly to Italy in this regard because it seems to me this is one country where we can get many more people. With reference to the argument of the hon. member for Lotbiniere about wanting a greater Canada and recognizing that it is people who will bring this about, if it is hard to get people from France and Belgium of French speaking background, perhaps there is an affinity between the Italians and the French that would make Italy promising ground for the kind of recruiting efforts that the minister suggested the Quebec government should undertake.

There is one last point in connection with immigration on which I want to touch and that is the possibility of an amnesty for more than just the Chinese people who entered Canada illegally. I have spoken to the minister about this matter. In my own riding I am acquainted with five or six people who happen to be Portuguese and who are not here on forged passports but are here illegally, in that they came in on visas, although the visas were not forged. At the present time they are working in the country. I have talked to several of them. I am not trying to condone the fact that they are breaking the law. They have told me that to their knowledge there are probably 500 or 600 people of their particular background in northern Ontario in the ring extending from the lakehead around to Sudbury.

Most of these people have been able to carry on for three, four or five years in this country because they are good, steady workmen who are never in trouble. It seems to me that some kind of effort is merited not only to examine and clear up each one of these cases that are outstanding, but also if they are typical of other groups of people of other backgrounds who are in this country illegally I think an over-all amnesty that would give them a chance to come forward with some hope of being able to stay here would be a very good move. I hope the minister will consider this. I think it should be much wider than just for the Chinese because people from other lands are involved.

Turning to the Indian affairs branch, I received a very sad document the other day from the Little Longlac chamber of commerce, a very prosperous small town in northern Ontario. It is supported by the Kimberly-Clark Corporation, one of the most enlightened companies I have had any dealings with. Right adjacent to this community there is an Indian reserve and the Little Longlac chamber of commerce points out in its representations, which went to the minister and to the Prime Minister, that there is a desperate situation in the community. You can see it in the statistics that half a dozen of the Indians from the reserve adjacent to this community have been killed on the roads or have died terrible deaths in other ways in the last few years as a result of drinking, careless behaviour, a complete misunderstanding of traffic rules and such things. Little Longlac or Macdiarmid in my constituency are perfect examples to show how badly we have done with the northern Ontario Indians.

I know the minister is sympathetic in this regard. I assume he was the one who was responsible for sending to us this pamphlet, "The Dilemma for Our Indian People", by James P. Mulvihill, O.M.I. I think it is an

excellent analysis of the situation. It is quite apparent that we need to do something drastic. As far as I can see, in the northern Ontario Indians we have a form of crisis on our hands. It is no good belabouring the Indians affairs branch. Many of their agents have behaved like feudal barons, but they have not had any background or training in sociology or social work. It seems to me that many of them behave as though they are carrying out a routine job and are taking the easiest way out of it. But I think the reason for this is our lack of response. The Indians now have the vote, but as you go around an area the size of mine, which I would point out to hon. members comprises almost one third of the area of Ontario, you begin to appreciate that there is no simple answer.

I am sick about the situation of the Indians in my area. I have talked to the Jesuits, who have a religious interest in many of the reserves, and they are sick at heart about the situation. Many of them are despondent. I talked to one old priest last year just before he died. He had a total of approximately $7,000 in i.o.u.'s in a great big box in his kitchen. These were i.o.u.'s that had been given for two or three dollars at a time by Indians on his reserve so they could make a phone call, buy bread or use the money for taxi fare to go to the unemployment insurance office. He had no complaint about the fact he had advanced this form of charity. He knew it was charity. He knew the i.o.u.'s did not mean anything, but to him they were typical of the fact that these people always had to be turning to him or to someone else for assistance, even for a minor loan of $2 in order to go down the road a way.

This kind of difficulty is widespread throughout my whole riding. Every Indian reserve of which I know in my riding has a water problem. For example, at Heron Bay they have three pumps, and wells have been sunk. None of the Indians want to use any of the wells. They have a real complaint. Traditionally, they use the river, and the river is full of pulpwood for most of the year. We have been trying to do something about this. Gull Bay has had some wells sunk and some pumps put in. Every time I go there the Indians tell me that the pumps are not working. Sometimes this is the result of vandalism and sometimes it is recalcitrance on their part to use the facilities or take care of them.

I can give the minister a typical example. I went into one place last spring on the Gull Bay Indian reserve and a young man pointed to the walls. He said, how would you expect anybody to live through a winter in this place. He and his wife had just been through the winter. You could see outside and there were the remains of some snow on the ground. You could see right through the walls. I was quite incensed, so I went to the Indian agent. I discovered that the Indian affairs branch had provided him with liner for his shack, provided insulation and everything. It had been brought up by trucks, and as soon as it landed he had sold it. Then, he and his wife had gone on a drunk and left the kids to be looked after by the grandmother.

I could tell the committee a really sad story. Last summer a 17 year old girl came to me and wanted to know if there was any possibility of getting a job. Obviously, she was pregnant. I made inquiries and discovered she was seven months pregnant. She was a very pretty girl. I inquired into the case from both the people on the reserve and the Indian agent, as well as from people who did welfare work. Here was a little girl who, at 13, was dragged off into the woods by one of the older Indians and kept as a prisoner for six months. None of the other Indians told on him. Finally, a school teacher found out about it and got the police. This man wound up with three or four years in Stoney Mountain and the poor girl was a physical wreck. She had been beaten and battered, and she wound up in a training school. She came out of the training school at 15, and where did she go? She hit the streets of Port Arthur. I do not know what can be done with a child like that. She does not know who her father was, and she does not know the potential father of the child she was carrying.

If this were just an isolated situation, if this were just the odd case, I could say we just needed mild remedial measures. However, that is not the situation. The minister can go into almost any reserve within range of the highway, and the tracks, where the white men are living close to the Indians, and this will be the kind of situation he will find. I went into one Indian home near Armstrong in my riding a little over a year ago and talked to the Indian father. He stated his daughter was home from school. She had gone to grade 12 and she hoped she would go on to be a nurse. I said, you must feel very proud. He said that he did, but she was not going to be a nurse. I asked why and he said she was pregnant. I asked how this happened. He told me she came home during the summer holiday and there was a pretty wild crowd around there. There happened to be some troops in the vicinity and that was the end of another promising Indian career.

I do not want to suggest any scandal. However, the actual living conditions, the morality, the behaviour of the Indians in my area of northwestern Ontario, including the riding of Kenora-Rainy River, all the way along the railway is as bad as this.

What have we got in the Indian affairs branch to face up to this situation? So far as I know, in that whole area we have one training or location office. To my knowledge, there is not any person intimately connected with Indian affairs in that region who is a trained social worker. The Indian agency centre for our area is in the town of North Bay, which is a long distance from the concentration of Indians in our part of the country.

I want to put it to the minister that it is about time there was a serious effort made in that region along the north shore, and up to Hudson bay, to bring to bear the skills that are available in the Indian affairs branch to do something for these people. Obviously, the solution is not a religious one, although I believe the religious authorities could help. I am sure they will help, and they are ready to help. It is more than just a community problem of association with whites in the small towns around which the Indians cluster. It is more than just an employment problem, although the fact is that employment is a factor. I know of one reserve on which there were 112 able-bodied men right in the middle of a timber limit that is being exploited by one of the big companies in Canada. However, only two men out of the whole band of 112 who were considered adult and able-bodied had any kind of permanent employment. You look at the figures for forest land in Ontario held by or for the Indians, and it is pitifully small. It is down to a few thousand square miles for the whole province of Ontario.

I can express my umbrage and my dissatisfaction. I have not any simple answer to suggest. It puzzles me, it defeats me, it discourages me. All I do know is that it will take some of the best wisdom and some of the largest resources that we can muster in terms of money and skill to really arrest the situation and to begin to convert these Indians into people of whom we can be proud, as Canadians, instead of being ashamed that these people live as they do. Some people are saying that the minister is going on to bigger things. I hope if that is his ambition he does. However, I suggest there is no bigger disgrace that we have to face as Canadians than the Indian situation—I can only speak of northern Ontario. I cannot think of any greater challenge for the minister or his successor than to really do something about this situation—instead of just what I am doing, standing up and talking about it.

I should like to close by saying that I think within the Indian affairs branch there is a group of people who are waiting for the kind of imagination and leadership to gear and move this kind of program. However, it has to be much more intensive than before. There has to be more encouragement from the minister and from the senior officials of the department than I think has been given. I suggest that we have one experiment going in my area. A gentleman in Port Arthur who is working for the children's aid has taken on one of the reserves, one of those where conditions are poor. As a result of the co-operation he has had from the Indian affairs branch, he is carrying out a recreational program that is a real bootstrap operation. I should like to suggest to the minister that needs to be examined very soon to see if the results are worth while. If they are, this type of program should be applied to other reserves in the area.

Now, Mr. Chairman, I have been longer than I intended in making these remarks. I should like to conclude now by saying that my sense of shame that my constituents have to live this way and be isolated as they are with a kind of apartheid with which most of us go along, although we would never accept it as a philosophy, has caused me to speak. I will tell the minister that any move he makes in this regard that shows an awareness of the problem and an attempt to meet it will have my support. I can almost guarantee, too, that he will not have to stand up in this house and plead or beg for money, or for votes to support it.

Mr. Lambert: Mr. Chairman, there are a few subjects I would like to talk about on the estimates of this department. The first has to do with Indians and Eskimos. One might ask, what have I to do with Indians and Eskimos, since I represent primarily an urban riding in which there are no Indian reservations. But there is located within the riding of Edmonton West the largest Indian and Eskimo hospital in the country. This is the first subject I would like to draw to the attention of the minister. The Charles Camsell hospital does not come under his direct jurisdiction, but under that of his colleague the Minister of National Health and Welfare; but this hospital deals with the people in whom the minister is primarily interested, as is the Minister of Northern Affairs and National Resources. I know the northern health services came under the examination of the Glassco commission, and one of the recommendations was that the Charles Camsell hospital be not rebuilt. I happen to know a

number of the doctors who were on the project team, shall we say, that looked into this matter and I had rather violent disagreements with them in this regard. With all due respect to these gentlemen, I think they were at least one generation ahead of their time with regard to medical services for our Indian and Eskimo populations, particularly as they deal with the Northwest Territories and the province of Alberta.

It was only a few years ago that the Indian and the Eskimo was prepared to accept and trust the white man's medicine. We now know from statistics that the health condition of our reserve Indians and our Indians and Eskimos in the Northwest Territories and the Yukon has improved immeasurably. But this progress must be maintained. There is a tremendous amount of work to be done in this regard. We can help by encouraging them to continue coming to a hospital where they are welcome, where they feel they are among people of their own kind, where the staff know how to handle them. An Indian or Eskimo patient from the Northwest Territories is not the same as the white man off the streets of the city of Edmonton.

I must confess that I was absolutely astounded at the philosophy that seemed to be propounded by those advocating that the Charles Camsell hospital be not rebuilt or modernized, because the main building is an old college building going back 50 or 60 years, and the remaining portion is a redwood building erected by the United States army when they were putting through the Alaska highway and the Canol pipe line. It is a veritable fire trap and it is inefficient; but it does the job. The plans had reached the point where there are working drawings for the new hospital. This project is now at a halt. I do not know how many times since last April I asked the Minister of National Health and Welfare whether a decision had been reached with respect to the Charles Camsell hospital. I always received the usual answer, "No decision has yet been reached. When one is arrived at, you will be advised". I must confess, Mr. Chairman, that I think I would have received a little better action under other circumstances. It is high time the government made up its mind one way or the other with respect to this hospital. If the government decides to follow the recommendation of the Glassco commission report, I would say to the minister this would be a most retrograde step with respect to the health services for our Indians and Eskimos.

It is true that there is a hospital at Inuvik and there is a hospital at Whitehorse. But for the long term treatment of tuberculosis and some of the other diseases which are more difficult to eradicate there is nothing like the Charles Camsell hospital in Edmonton, where you have the most highly qualified medical practitioners available as consultants, where there is a good staff within the Department of National Health and Welfare, people who are dedicated to their work. I will simply tell the committee that last January I went through the hospital on the occasion of the awarding of scholarship certificates. These were awarded to a young Eskimo from Inuvik who was going into second year medicine, a girl who was going into education but who was a patient at the hospital—these were university students—and a girl who had just received her certificate from a commercial school and was going out to work as a stenographer. Every year I have had the opportunity of congratulating these young people who have made their mark, who have achieved something. They are examples to other young people among the Indian and Eskimo populations.

Just a few months prior to that the hospital had been closed at Hobbema, which is located in the constituency of my colleague the hon. member for Wetaskiwin. It was indicated to the Indians on the two reserves at Hobbema that they could go into the Wetaskiwin or the Ponoka county hospitals. What was the result? The registrations in the Camsell hospital during January and February, 1962, were up by 45 each month in respect of people from those two reserves. You ask the Indians, "Why do you come here to Edmonton when you could be so much closer to your homes at Wetaskiwin or Ponoka?" They say, "We come among people who know us, who understand us. We are here with patients from other reserves. We have rehabilitation services here. We are welcomed in this hospital". We know that in the county, municipal and city hospitals the overcrowding is fantastic. Unless you are just about dying and require an emergency operation you cannot get into some hospitals. If they are queuing up from the white population to go into our very limited general hospitals, how is it to be expected that our Indians and Eskimos will be accepted? If an Indian woman wants to come into hospital to have a child, is she going to go into a general maternity ward? Today she will not. A generation from now, she may. So I would urge the minister to give this matter serious consideration.

I do not want to belabour the point but I wish to re-emphasize everything I have said in correspondence with his office and the office of his colleague the Minister of National Health and Welfare. The Charles Camsell hospital must be rebuilt. Ultimately it may be made into a general hospital, but that is a generation from now. I think this would be one step in helping these people to integrate.

We should not give them the sort of cold water treatment of saying, "All right; we are taking your hospital away from you. You can now fend for yourselves in the local hospitals". That is not good enough and it would be a retrograde step.

Still on the subject of Indians and Eskimos, Mr. Chairman, there is a residential school in my riding to which some young Indians are brought from northern British Columbia to attend the city schools.

On examining the situation as to the training for the Indians at Yellowknife and some of the other training schools, I think that somehow we have missed the boat. We take these Indians from their homes while they are still in their early teens, and perhaps younger, put them in a white man's school, teach them white man's training and white man's habits, and then at the age of 16 turn them back to the reserves or among their own families. They are not adapted to Indian native habits. They have not acquired skills in hunting. They have the white man's skills, but no agency is there to follow up and see that they use that training.

The minister may say, "Well, we do for a bit." But is it not like a child learning to walk. You are asking these young people to go from a crawl to a walk and, Mr. Chairman, you know that a child learning to walk will stumble many times. You have to pick him up and get him back on his feet. I suggest that a massive assault must be made on this problem. It may take a generation. I hope it will take less, but these young Indians have got to be followed up, and this must be a government policy decision.

I hoped I was convincing the minister's predecessor in this regard to start such a program, but it does not concern only the minister within his department. He must convince his colleagues that there has to be a massive assault on this whole problem. It may take 10, 15 or 20 years, but if we do not do it we will not have a satisfactory solution that will help these people become self-reliant, more adapted to modern ways, and able to form an integral part of our population. If we can do that, we will have achieved something and the increased moneys we will have to spend will be worth while.

There are several reservations in and around the Edmonton area. They are handled through what is called the Edmonton agency, where there is an officer in charge, with various Indian agents operating out of the Edmonton office. I wonder whether this is right. It has been put to me by people who know Indians, and have been associated with them for many years, that it might be better if the Indian agent as a general rule lived on a reservation. There may be a paternal aspect to this, but there is a benefit in his being there and knowing the people. He is not then an office man who comes out to them three times a week.

I shall now switch to the subject of immigration. I have discussed privately with the minister something which I hope he will look into, the acceptance as immigrants to this country of more young people from the other side of the iron curtain. There should be an extension of the rules regarding relationship, so that we can admit young people under the age of 21 for the purpose of reuniting members of families, where the senior members of families in Canada are well established, in the position to take in further relatives, and are willing to do so.

Some excuses have been made on the basis of security, and one thing or another, but I will put this question: Is the government's policy more concerned with immigration or security? By this I do not mean any disrespect to the R.C.M.P. who have a difficult problem to deal with. As I say, I have discussed this with the minister privately, particularly with reference to countries like Poland and Czechoslovakia, provided of course the governments of those countries will release their nationals to come to Canada. We cannot drag people here from those countries.

Gracious me, are boys and girls of 15 or 16 years such subversives that they cannot be admitted to this country on the same basis as orphaned nephews or nieces? What is wrong with extending the regulation to cover second cousins? We are prepared to make exceptions for nephews, nieces and unmarried children, so what great danger would there be in extending the regulation to cover grand nephews, grand nieces and second cousins? We would be doing a great service in uniting members of families and assisting them to become economic units. If there is a step that can be taken in the right direction with regard to immigration, it is in this area, and I suggest it apply to countries on the other side of the iron curtain, and indeed to all the countries of Europe.

This afternoon the hon. member for Lotbiniere spoke about the disparity in the figures of immigration from France and from the Anglo-Saxon countries.

[*Translation*]

He referred to the Belgians and the French. When you mention the Belgians, you have to speak of the Walloons and the Flemish.

As for me, I am of Flemish origin, and I know there is quite a difference. I know also that my grandparents never thought of themselves as French speaking, despite the fact that they could speak the language.

And I can tell the minister it is quite likely that, out of the thousands of French immigrants that we have received within the last two generations, many have left the country. As a matter of fact, before I was elected to this house and at the request of the American consul, I used to translate and check the documents of the French and Belgian people who wished to obtain a certificate executed and authenticated by a notary.

I then translated law reports, military bulletins, etc., and I can tell the minister that, from the outset, namely some time before 1954 or 1955, I cannot remember a single week when I was not required to translate such documents for French people who had immigrated to Canada and were going to the United States. When they were asked why they were doing so, they answered: Well, here, in Canada, the weather is very cold. Most of these immigrants were coming, so it seems, from southern France, and they were going to California. We could not keep them here and this is the reason for this lack of balance in the field of immigration.

[*Text*]

There is one further brief point I would like to make with the minister, and it concerns Chinese immigration. Those of us who represent western cities have more contact with the problem of Chinese immigration than our colleagues from eastern Canada. I have heard, not only from the minister but from his predecessor, about the staff difficulties in Hong Kong, and I would like to know what has been done to ameliorate those difficulties in the last year? I still get from time to time queries about applications for immigration, where a potential immigrant has been told to come back for an interview in four or five months. This does not do much good, when a wife with small children is told to come back in four or five months.

This situation has existed for some time. Is it to be tolerated forever? I suggest to the minister that so far as Chinese immigrants are concerned we in western cities would welcome a lot more. They represent in the city of Edmonton I suppose one half of 1 per cent of the population, if that. They are not what used to be the popular conception of a Chinese citizen. Many of them are professional gentlemen, excellent businessmen. Second, the second generation Chinese are of the very best citizens within our communities. I think that here we can do something. I would ask the minister to let the house know what has been done to straighten out the situation in Hong Kong. I know there is a great deal of pressure in this quarter, but it seems to me that there has not been a great increase in staff to handle it. We still get some of the same complaints about officials. I would say that almost one out of three applications by Chinese immigrants results in recourse being had to a member of parliament to see whether the application could be pushed and set moving. Strangely enough, when you do get behind it, it does move. So what is happening? Is it because more pressure is required? If so, all right, we will put on the pressure. But I think the minister recognizes the problem, so I would ask him to take the committee into his confidence and to tell us what he has done and what he anticipates doing in regard to this problem.

Mr. Herridge: Mr. Chairman, I rise to speak very briefly indeed. I do so because I have received a letter from the minister's special assistant regarding a case which I mentioned when I last spoke on the estimates. I rise to deal briefly with the circumstances and to ask the minister a question, to which I trust I will receive a favourable reply, this being Christmas time.

I refer the minister to the application of Mr. Wong Hong Taw for the admission to Canada of his son Wong Yun Lam from Hong Kong. I brought this matter to the attention of the minister at the request of numerous people in Kootenay West who have known the old gentleman for many years. He is a splendid old chap. His application was supported by a petition of some 50 names, including one official of the Consolidated Mining and Smelting Company, the mayor of Trail, prominent business people and other persons. It is rather a pathetic case. I was under the impression that Mr. Wong Hong Taw had more assets than appears to be the case at the moment. He was at one time quite a prosperous market gardener, but recently he has suffered from ill health. The minister was kind enough to have this case reviewed and referred to his official in Nelson, who has reported to the minister. I just want to refer to the letter and then ask the minister a question. The letter is dated December 16 last, addressed to me, and it reads as follows:

Dear Mr. Herridge:

I refer to my letter of November 29, 1963, concerning the application of Mr. Wong Hong Taw for the admission to Canada of his son, Wong Yun Lam, from Hong Kong.

The immigration officials have had a report from their officer in Nelson, B.C. who states that Wong Hong Taw is almost destitute, having no assets either in cash or real estate, and being a recipient of somewhat meagre welfare payments. Under the circumstances, the applicant cannot meet minimal requirements for settlement arrangements for his son.

Mr. F. C. Crosman's letter of July 11, 1963, commented on Wong Yun Lam's limited qualifications. The report of the Hong Kong immigration officials,

on which Mr. Crosman's letter was based, clearly indicated that Wong Yun Lam could not qualify as an unsponsored immigrant.

The previous decision in this case can therefore only be sustained. In view of your interest, I regret that my reply is not more favourable.

I am returning herewith the documents which you left with me in connection with this application.

Yours sincerely,
Peter Bosa,
Special Assistant.

So, Mr. Chairman, I am rising again at the request of a number of people in my constituency who are very concerned about the welfare of this really lovable old man whom they have known for many years. I understand the circumstances and the reason for the minister's reply, but I ask him this question. If the hon. member for Kootenay West sponsors this young man and guarantees that he will never be a public charge, will he be admitted to Canada to stay with his father?

The Chairman: Shall the item carry?

Mr. Pigeon: Only one question, Mr. Chairman.

[*Translation*]

Mr. Chairman, I have only two questions to ask. I should like to ask the minister whether his department intends to implement the report of the Glassco commission, which suggests to allot the issuing of passports to the Department of Citizenship and Immigration rather than to the Department of External Affairs.

My second question is this. Did the minister, who is very close to the government of the province of Quebec, meet the authorities of that government to suggest that the province of Quebec should make the necessary efforts to be in a position of extending a better welcome to the immigrants, as the other provinces do, especially Ontario?

In this connection, I am inspired by an article published in *Le Devoir* on November 10, 1963 and which reported the statement made by Mr. Lesage on television:

The province of Quebec should take the necessary means so that immigrants be given a better welcome on their arrival in Quebec province.

Those are the only comments I had to make on this question.

Mr. Gregoire: Mr. Chairman, I should just like to take a few minutes of the committee's time to express my approval of the statement made this afternoon by the hon. member for Lotbiniere (Mr. Choquette) concerning the immigration to Canada of French speaking people.

I know that I can develop the hon. member's arguments because, unfortunately, he was unable to do so himself since the party whip likes nothing better than to restrain the members of his group.

Mr. Choquette: I regret to inform the member that it is not so.

Mr. Gregoire: As for me, I feel much freer on this side of the house, I can express any opinion I hold.

Mr. Chairman, I agree with the statements made this afternoon by the hon. member for Lotbiniere. Of course, as in all the speeches he has been making these last three or four days, he began by praising a good deal the Minister of Citizenship and Immigration. However, I agree that in that case the praise was well deserved. In fact, I wish to take the opportunity to say that the minister has a brilliant future in his party.

However, Mr. Chairman, a fact remains. According to the figures quoted this afternoon there is a disproportion between immigration from English speaking countries and immigration from French speaking countries and there are many reasons for that. What solutions could be brought to the problem?

I believe that the first one would be a better concerted and better prepared publicity in the French speaking countries.

I also believe that the minister should give more attention to another important fact which is the supervision of the emigration of a great number of Canadian citizens to the United States. If we take into account the number of citizens of the province of Quebec and other provinces who have, since the beginning of this century, left Canada to go and work in other countries, we will find that this emigration has been harmful and even disastrous for us. One of its causes can be found in the facts of life.

For instance, the lumberman in the Bellechasse, Beauce, Dorchester, Kamouraska and Temiscouata constituencies, and so forth, go to work in the United States in winter, and when they come back into the country, they do not benefit from the assistance their country gives in the field of unemployment insurance. Well, when that happens, these Canadian citizens are inclined to try to emigrate to the United States, where they may take advantage of the social legislation in that country.

The Minister of Citizenship and Immigration might perhaps urge the Minister of Labour (Mr. MacEachen) to have our Canadian citizens share in all the social benefits to which they are entitled.

Mr. Chairman, I have a last comment to make. For some time, a debate has gone on between the Minister of Citizenship and Immigration in Ottawa and the minister of national resources in Quebec in order to find

who will have charge of the administration—and at the same time, who will have jurisdiction over the educational system—of the Eskimos and Indians living in New Quebec or in the north of the province.

I submit it is quite an important problem to consider. Perhaps, at the present time, a rather limited number of individuals are involved, but there is every reason to believe that, within a relatively short period, mining or industrial developments will take place in that part of the province of Quebec. At that time, Eskimos and white men will live side by side, and one of the two groups will come under the authority of the provincial administration, whereas the other will live under federal jurisdiction. Then, that problem will be more acute than it is now. That is why I think the minister should give it his whole attention in order to anticipate the related problems which will come up within ten or 12 years in that area. Problems will inevitably come up if the present situation keeps up, when New Quebec and the far north are developed. But if we anticipate the problems —I think that what is wrong with the government at the present time is that corrective measures are taken only when the problems come up—if, in that area, the Minister of Citizenship and Immigration, with the capability we know he has, could anticipate the difficulties and find the solution right away, then, we would avoid for the future generations, discussions which might be very bitter.

Mr. Chairman, those are the three points I wanted to submit to the minister, and I would sum them up like this: French immigration in our country; disastrous emigration of too many Canadian citizens to the United States; and the Eskimos and Indians living in northern Quebec.

I hope the minister will take those problems into consideration and that in his next estimates, he will be in a position to tell us what he intends to do to settle them.

Mr. Favreau: Mr. Chairman, I shall start by replying right away to the three questions that have been asked. First of all, I shall answer the question dealing with the recommendations of the Glassco commission concerning passports. This recommendation will be looked into. I must say, however, that the matter does not come under my departmnt as such, but concerns rather the study group which is presently considering the recommendations of the Glassco commission. In any case, that is one of the points under consideration at present.

Second, with regard to the discussions with the Quebec government, I must say that the discussions held were informal rather than official. I have already had or started to have talks. I feel confident that, in the future, my views in that regard will prevail.

[*Text*]

As to the matter raised by the hon. member for Kootenay West, I am not in a position, in full committee, to settle a specific question of this kind; but I can tell the hon. member that in view of the sympathetic nature of the proponent of the question I cannot help but consider the matter very sympathetically.

[*Translation*]

Now, Mr. Chairman, I first wish to thank the hon. members who made such flattering remarks about me. I simply consider them as an encouragement to perform my duty in the future as I have done up to now.

Some constructive suggestions have been made, several have already been implemented and others are under consideration. We must not forget that criticism is still one of the best ways to expedite public business. I thank the members for their constructive criticisms.

I would like to say a word about Chinese immigration. I hope that I did not convey the impression, in my remarks, that Chinese immigration, which evidently involved some complex problems, had been overlooked by the department.

May I say on the matter of sponsorship that there will be a broadening of the plan with respect to families, particularly in the speeding up of consideration and disposal of requests which are being processed.

Many protracted meetings have already taken place in that connection with my officials, and I can even promise the committee that within the next year, recommendations will be submitted to the cabinet and, for this reason, I am not free to disclose, for the time being, the solutions I intend to propose.

Now I must point out that in 1961, 661 immigrants of Chinese origin were admitted into Canada, that 826 came into this country in 1962 and that, during the first nine months of 1963, 1,008 have already been admitted, which means that this year we will substantially exceed the number of immigrants of Chinese origin admitted up to now.

Two weeks ago, the acting director of the immigration branch went to Hong Kong at my request, and I intend to follow him soon. As a result of recommendations, we have already applied measures which will reduce by 50 per cent the work and time involved in the processing of applications of Hong Kong immigrants.

[*Text*]

In the course of their remarks, some members have asked whether or not final consideration has been given by me to the case of Miss Irene Rebrin who immigrated to Canada in 1958 and who was ordered deported in January, 1959. I must say that this case was relatively complex. It involved certain delicate factors and it was my intention to give it all the consideration required. I am pleased to inform the committee that the review of this case has now been completed. I have decided that Miss Rebrin should now be admitted to Canada as a landed immigrant. The necessary procedures are being commenced to adjust her status. The conclusion I have reached takes into account the current circumstances and it is not intended to have any bearing on the past treatment of this case or to imply that any decision made in the past in this respect was improper at the time it was made.

I have stated, Mr. Chairman, that it is at least my opinion, because we are dealing with human beings directly, that in these cases the minister should refrain—I do not say that in the past the minister has not refrained—from any comparison between his own policies and the policies of previous ministers or governments. This is why I wish to make it very clear that the Rebrin case has been looked into in the light of the facts as they existed in December of 1963. If an immigrant is refused in 1959, for instance, under section 5 because this immigrant suffers from a disease, and if the matter is looked at in 1963 and that person has been cured, a decision is then made in the light of the factors as they exist in 1963 and may not be interpreted as reflecting unfavourably on any previous decision.

I am not unmindful also in taking this decision, and I think it is important, that there is presently pending a libel suit between Miss Rebrin and somebody else. As a lawyer I have considered that and I know I am satisfied in my own mind that in the suit the facts, of course, will be looked at as they were in 1959, and not 1963, and that consequently any decision I may make may not be used for or against anybody in the case, because anything which I might say would not be acceptable legal evidence. It would be purely hearsay. So I thought it was my duty to make the decision, and having arrived at that conclusion, I am pleased to state it to the house tonight.

May I say just one word with respect to Indian affairs. In a jocular fashion but in a way seriously, I know, it has been suggested that the minister try to devise a system whereby he will ensure that the important branch of his department known as Indian affairs will disappear in 20 years. I must say I cannot agree more. I also know that when I say this my officials will not be frightened by the proposition because, knowing their dedication to their cause, I know that they all agree. This is the objective and the purpose, that once the Indians have fully succeeded in adjusting themselves to our present way of life in a fashion compatible with their own traditions and original culture and also in the freest possible way there will not then be any necessity for an Indian affairs branch as such. This objective, of course, embodies a requirement for the implementation of all of those measures which we have discussed during the presentation and discussion of these estimates.

May I say a last word on matters of immigration about the relaxation of what have been called the rules of relationship. This is one of the subjects which, as many members know, I have most deeply at heart at present. Rules which were probably necessary at the time they were made have caused difficulty, and ways and means must be found to adapt them to more humane conditions of immigration.

My last word is to join with hon. members in congratulating the new deputy minister of my department on his accession to that high position. I must say that if the first 30 days of his presence in the department are a sign of the future, and I know they are, there will be a great future for the Department of Citizenship and Immigration.

Mr. Douglas: Mr. Chairman, I should like to congratulate the minister on his decision with reference to the Rebrin case and say to him that many of us are highly pleased at the excellent beginning he has made in the handling of his department. We look forward to a very enlightened period of administration under his guidance.

I should like to ask him one brief question. I have reference now to the Mrs. Miriam Stevenson case which I raised in the house on the orders of the day some weeks ago and about which I wrote the minister. I do not want to take much time of the committee but I would like the minister to give, if he can, some assurance with reference to the immediate status of this case. I do not know Mrs. Stevenson nor am I familiar with all the details of her case. I do know that, according to press reports, she is a citizen of Great Britain, that she lived for a while in the United States and that she is now being deported because in the 1930's she was for one year, it is claimed, a member of the communist party. She contends that she has had no association whatsoever with the communist party since the 1930's.

The minister was gracious enough to grant a stay of proceedings for 60 days on this case during which time she and her legal counsel are requested to produce evidence to prove that she has dissociated herself from her former connections. I hope she can do that but, as I pointed out to the minister when I wrote him, it is very difficult to prove a negative. How you prove that you no longer are something is extremely difficult. She may be able to get character references or people who will express opinions, but I do not know how you can prove you are not something. It may be possible to prove that you are a member of an organization, but how you prove you are not a member of an organization seems to me extremely difficult.

It may not be possible within the time limit she has to produce this kind of evidence. Therefore I want to ask the minister first of all whether it will be possible, if that evidence is not forthcoming and it appears to him that the case is deserving of consideration, to extend the time during which she can endeavour to get this kind of evidence. Second, is it the intention of the minister to review the act to see if some of these very wide discretionary powers which are given to the minister could be spelled out in the act? It seems to me that the powers are very wide when the whole discretion whether or not this woman, who is a British subject, who has lived in Canada and who is now in her late 50's, will be deported lies entirely with the minister. It so happens I am fairly well satisfied with the discretion of this minister, but that is not the point at issue. The point is whether or not this is a discretion which is far too great to reside in any one person, without any right of appeal.

Mr. Howard: I have just a brief word or two before the item passes. The minister made a statement a while ago which will be pleasant sounding music to the ears of native Indian people of Canada, namely that it is his desire that within 20 years or a reasonable period of time there will no longer be a need for an Indian affairs branch, or the Indian Act for that matter. It has been one of the sore points in the minds of the native Indian people for many years, that they should be singled out and subjected to a law and an administration specifically dealing with them on a racial or ethnic basis. As I said earlier in my remarks, and I hope the minister will not take this personally because it is not intended that way, the Indian people feel that there is a need for action rather than words. Words have been directed to them time after time in years gone by. It is action that will impress them at this point.

I have great hopes that what the minister says will be accomplished will, in fact, be accomplished.

I have a question or two I should like to direct to the minister about a problem I raised earlier. However, it might be as well to wait until the item is called which deals with welfare.

Mr. Herridge: As the member who first raised the case of Irene Rebrin in the house I wish to thank the department on behalf of the people in British Columbia. I am sure the minister has made a lot of people in British Columbia happy to hear that he considered the unfortunate plight of this young lady.

Mr. Clancy: I should like to ask a question of the minister with reference to the order in council concerning Weldon Chan. This is a man who broke every law in Canada and who went underground for three years. Suddenly, he is pardoned by order in council. Now, how do I advise my constituents, a lot of whom come from eastern Europe? Do I tell them to bring their relatives in, admit nothing and hope that they will be pardoned by the minister? This was the most disgraceful thing that ever happened in this country.

Mr. Peters: Is the minister going to say anything about the matter I raised earlier concerning the opening up of old orders in council to try to ascertain where the difficulties lie in the cases that have come before the department?

Mr. Favreau: I am sorry if I forgot that question. I first wish to thank the hon. gentleman for having agreed to my suggestion to restrict the area of his very broad question. The answer to his first question would have required a lot of time and expense. When the answer is completed, whether or not the house is in session, I will send a copy to my hon. friend for sure. I must say this, though, that the adjustments are not made by order in council. These persons have entered Canada and once their status is adjusted, they are not deported. They are considered as people who have been admitted, and for the purpose of citizenship their landing is considered to have taken place at the time of their arrival.

Mr. Clancy: Could I have an answer—

Mr. Peters: Could there be—

The Chairman: Order; the Chair has recognized the hon. member for Yorkton.

Mr. Clancy: I should like to ask the minister what advice I should give to my constituents. Do I advise them to forget the laws, come in under a visitor's permit and then disappear?

Mr. Favreau: In reply to the hon. member I would say that his experience in the house and with his constituents is much greater than mine. I know that he cannot give them anything but sound advice.

Mr. Clancy: I may tell the minister that I try to be honest with my constituents.

Mr. Favreau: You can advise them that the minister looked into all the circumstances of the Weldon Chan case. In so far as I am concerned, this was a very particular case. If you look at the circumstances as a whole, it is a case without precedent. Each of these cases must be examined upon its own merits at the time it comes before the minister. He tried to do justice to the best of his ability and knowledge.

Mr. Clancy: May I advise my constituents to break the law and throw themselves on the mercy of the minister?

Mr. Douglas: Could the minister give me a report on the Miriam Stevenson case about which I was asking? Has there been any change?

Mr. Favreau: All I can say is that it was a good thing there was a discretion in the minister because I saw the file about 24 hours before the deportation order would have been executed. My power of discretion allowed me to send a telegram suspending the deportation order for six days. We have not yet received the representations sought. Instructions have been given for a further investigation, and no deportation order will be given until such time as we are satisfied that the facts are before us.

Item agreed to.

25. Field and inspectional service, Canada, including $10,000 for grant to immigrant welfare organization, $7,059,800.

Mr. Favreau: Mr. Chairman, I do not want to filibuster my own estimates but I ask my colleague, the Secretary of State, to present an amendment to vote No. 25.

[*Translation*]

Mr. Pickersgill: I move:

That vote No. 25 be reduced by $20,500.

[*Text*]

Amendment agreed to.

Item as amended agreed to.

60. Welfare operation and maintenance including grants and contributions as detailed in the estimates and authority to make recoverable advances in amounts not exceeding in the aggregate the total of all amounts to be paid by the governments of provinces and territories under agreements entered into on terms approved by the governor in council with such governments in respect of social assistance to non-Indians residing on Indian reserves, $11,772,900.

Mr. Howard: Vote No. 60 covers the operation of the welfare branch of Indian affairs, with which I dealt in an earlier part of my remarks. There is an agreement, I have not got it with me now, but I believe it is headed, statement of policy on health or welfare services, and it is an agreement between the government of Canada and the province of British Columbia. Perhaps there are similar agreements with other provinces, I do not know. The effect of this agreement which came into force this past January, as I read it, is that if an Indian lives on a reserve and is eligible to receive welfare, he will receive that assistance at the rate established by the Indian affairs branch, namely $22 per month. Then, if there are any dependants the amount decreases to $15 per month for dependants over 12 years of age and $12 per month for dependants under 12. I do not know if these figures are correct. However, if an Indian person lives off the reserve for a period of time and is eligible for welfare assistance, he receives welfare assistance at the rate paid by the provincial department, which is substantially in excess of the amount paid by the Indian affairs branch.

Then, if a non-Indian living on the reserve is eligible for or in need of welfare assistance, he will receive that assistance at the rate payable by the Indian affairs branch. If he is living off the reserve, of course, the agreement does not apply. The essence of this agreement is that it sets up two schedules of welfare payments for Indian people, one when they are on the reserve and one when they are off the reserve. In view of the desire of governments—as enunciated also by the minister recently—within the last couple of years that the goal and objective should be what we loosely call the transfer of jurisdiction over these matters to the provincial government, I wonder whether the minister could tell us what plans are afoot to either discard that agreement or revise it in such a way that there is equality of welfare payments to native Indian people as compared with people of non-Indian origin. I am talking about British Columbia, but I am sure that if similar agreements are in existence in other provinces and the same sort of discriminatory system prevails, naturally what I have said applies to those provinces also.

Mr. Favreau: Mr. Chairman, first I must say that it is probably a laudable objective to even out as much as possible the rates of welfare payments. But surely no member of an Indian community may complain about the fact that when they go off the reserve and live somewhere else in the province the

federal government has seen to it by agreement that they be not treated differently than other residents of the province. I do not want to justify the rate that is paid to Indians, and I do not say it is not justifiable either. I must say that the rate paid to Indians on the reserve is for food only, but Indians living off the reserve have considerable additional expenses which those on the reserve do not have, including provision for lodging, heating, fuel and other factors. Indians living off the reserve have to meet these expenses and those on the reserve do not have to meet them.

In the same way it is true that the rates vary even from province to province, and so long as uniformity between the provinces is not achieved, even if we adjusted the rates as applied to Indians there would, because of the different levels in the provinces, remain certain differences. It is our objective to level out these things as much as possible. I think we will be in a position to do a great deal with respect to looking into this question in depth at the conference which takes place in the month of May between the federal minister and the appropriate provincial ministers. As I said, this conference is in preparation and the agenda will soon be discussed among the provinces and the federal government.

Mr. Howard: Mr. Chairman, I anticipated that the conference which arose out of the recently concluded dominion-provincial conference would provide the arena for the discussion of a great many of these matters. I only wanted to raise the question with the minister now, so that it is on the record once again and we do not lose track of it in the wealth of all the other things that take place; because this is an important matter. The minister said—and I am paraphrasing him now—that surely no Indian living off the reserve would complain that he is receiving the welfare assistance payable by the province. Perhaps they do not, but an Indian person does complain in this way. They look at the disparity in welfare payments as a result of this agreement and say, "Ah, ah; here is another attempt by the government to entice us to get off the reserve. They are now using the enticement of increased welfare payments to do it". I say this because, as the minister well knows, the history of the treatment of native Indian people by law has been full of enticements for them to become enfranchised, to leave the reserve, to lose their status as an Indian. These enticements involve the right to vote, which was granted a few years ago. They involved liquor, and still do to a certain extent. They involve the amount of band funds the Indian gets when he becomes enfranchised, and so on.

Most of the Indian people have resented the fact that enticements have been offered to get them to cease being Indians within the meaning of the Indian Act. They want to retain their history, culture and association with their own people. They look upon this agreement, with its disparity in the approach to welfare, as being another enticement by government to get them off the reserve. It is unfortunate that this attitude exists. I can only hope at this moment that when the federal-provincial conference on Indian affairs is held it will do something to correct this discrimination. Everyone will be praying for it to come up with something that is reasonable, decent and conclusive with respect to Indian affairs, so we can take the step the Indian has been looking for, for so long—the step toward equality and decency of treatment for them.

[*Translation*]

Mr. Paul: Mr. Chairman, I wish to remind the Minister of Citizenship and Immigration (Mr. Favreau) of my request addressed to him last November in favour of Indians belonging to the La Manouane reserve who are deprived at the present time of all medical assistance. There is no nurse in the reserve at the present time and, unfortunately, tuberculosis is rampant there.

I have been in recent contact with officers of the minister and I pointed out to them that I had been told by the reserve chief that it would be advantageous for a doctor to practise in that reserve. As I am aware of the minister's concern with problems relating to his department, I feel sure that the Indians of La Manouane will be given, in the future, the medical assistance that is essential to that community.

Item agreed to.

Mr. Favreau: Mr. Chairman, may I be permitted to express my thanks to all members for the high degree of co-operation they have shown, particularly for the spirit of understanding they have displayed towards the poor minister who presented his first estimates.

Mr. Pigeon: It is thanks to your parliamentary secretary.

[*Text*]

DEPARTMENT OF NATIONAL DEFENCE

1. Departmental administration including authority, notwithstanding section 30 of the Financial Administration Act, and subject to allotment by the treasury board, for total commitments of $2,529,570,600 for the purposes of votes 1, 5, 10, 15,

20, 25, 30, 35, 40, 45, 50, 55, 60 and 65 of this department regardless of the year in which such commitments will come in course of payment (of which it is estimated that $978,136,600 will come due for payment in future years) and authority to make recoverable advances under any of the said votes in respect of assistance rendered to the United Nations, any party of the North Atlantic Treaty Organization or any provincial or municipal government, $3,432,000.

The Chairman: Order. Vote No. 1 of the estimates of the Department of National Defence. Shall this item carry?

Mr. Churchill: No, Mr. Chairman. I am quite prepared to move very rapidly on these items if the minister will give us a short statement on the NATO conference, and any developments at that conference, and bring us up to date on the recent changes that we read about in the newspapers concerning national defence. We would like to hear about these matters right here in the house.

Mr. Hellyer: Mr. Chairman, with respect to the NATO conference I would be pleased to make a very brief report. It was, in my opinion, a most satisfactory conference. There had been some apprehension, I believe, that certain issues would be divisive, or could possibly be divisive; but there was no evidence of this at the conference. There was reaffirmation of the solidarity of the 15 nations which compose the North Atlantic Treaty Organization. We received a first class briefing of the military threat which presently exists from the Soviet union, an assessment of their strengths and of their capabilities. If anything, the consensus was that the conventional strength of the Soviet union, when given a qualitative analysis, is not as great as was previously estimated, but of course is still quite formidable.

We also heard a very interesting statement in respect to the western capabilities, the forces available to meet the threat, and the state of the alliance from the military standpoint at the present time.

On behalf of the Canadian delegation we had a statement which made the council aware of the defence review which is presently being undertaken here, and which mentioned certain decisions that already have been taken and of which the council were already aware. It also indicated that one or two other matters were under consultation at present with the military authorities, and that these would be presented to the permanent council in the usual way as soon as agreement was reached.

It was pointed out that our review in this country was really in two phases. The first phase dealt largely with procurement, which is now completed. We attempted not to procure equipment which would limit the options open to us in future years. The second phase of our review was in respect to longer term policy, and that in determining longer term policy the government would be very much aware of the relationship between our armed forces, and those of our allies in the North Atlantic Treaty Organization. This statement seemed to be well received, as were any consultations we had with military and civilian authorities at the conference.

I think the most notable achievement of the whole meeting was the reaffirmation of solidarity, and the undertaking on the part of all members of the alliance not to stand in the way of going ahead and working out problems which arise from time to time, as is inevitable in any alliance of 15 nations in peacetime. In summary, it was a most satisfactory conference and we in the Canadian delegation took satisfaction from it.

With respect to the hon. gentleman's second question, it is unfortunate that consultations are not yet complete and therefore I am reluctant to say anything more at this time. It is not helpful to give information in detail before negotiations have been worked out, and these negotiations are presently under way. The NATO military authorities have been advised of any proposals the government of Canada has at the present time. These are being studied, staff work is being done at the moment, and we expect to hear back in the not too distant future. I would hope it will be possible within a few weeks to make public any additional information that is relevant to the slight adjustments which have been proposed.

Mr. Douglas: Could the minister give us some information regarding two matters recently reported in the press. One is a report which appeared in the *Globe and Mail* of December 20 and which says:

> The Royal Canadian Air Force base at Grostenquin, France, will be closed, a highly placed source said yesterday.
>
> The other Canadian base in France, at Marville, will be retained but the CF-104 nuclear bombers there will be converted to a strictly conventional, reconnaissance role, the source said—
>
> The CF-104's at Grostenquin will be moved to the German bases.

Is this the plan which the department has in mind? Is it intended to close the first base and move the aircraft to Germany, and is it also the intention to keep the Marville base open but to change the equipment on the CF-104's so that they can be used for conventional purposes?

The other matter is with reference to an announcement which came from Paris while the minister was there. There were some conflicting reports about this. I gather some of the papers were quoting the statement as though it came from the minister, but later

I received a more accurate report which said it came from British military sources. It was a statement to the effect that an agreement had been signed permitting the British V-bomber force to be trained in Canada and it said—

—that the R.A.F.'s nuclear V-bomber force is to use Canadian air space to test a new "low-level" attack strategy.

It also said:

—the V-bombers would operate from Canadian bases, covering "distances in northern Canada similar to those which would be met in a retaliatory assault on Russia."

Most people felt this was hardly the way to contribute to a lessening of international tensions, and to strengthen the détente which it is hoped we are building between the east and the west since the signing of the partial nuclear test ban agreement.

I would like the minister to give some explanation why this new training program is being launched? Is a new agreement being entered into, or is it being done under some former agreement? Will it mean a great increase in the British personnel located in Canada, or is it simply an old program being blown up for publicity purposes by the British government, which is sorely in need of being bolstered on the home front?

Mr. Hellyer: The *Globe and Mail* report is one of a series which has appeared in respect to the proposed adjustments to the air division. It is not too inaccurate in respect to a proposal that has been made by the Canadian government, and is a pretty fair reflection, though not quite complete, of the suggestions we have made to the military authorities in NATO. I would prefer if the hon. member allow me not to go beyond that in spelling it out, because I feel we have some obligation to our allies not to pre-publicize in detail suggestions which have been put forward while they are in fact subject to consultation.

I believe the second report had an unfortunate emphasis. It is true, and this much I confirmed while in Paris, that there has been agreement to permit British V-bombers to use a low-level training route in Canada. This is not really a new situation because we have made air space available to the British for training purposes many times, and it is really just an extension of the long standing co-operation existing between the Canadian government and the R.A.F. This involves a technique of contour flying, low level flying which requires special training.

The difficulty is in obtaining routes which do not unduly interfere with the civilian population. Particularly in England such routes are just not available. For that reason a request came forward to make available a route in Canada which would be over part of our territory, but which would not be an undue nuisance to the civilian population. A route was selected and permission given to operate this one route. It does not mean that there will be any sizeable augmentation of British personnel in Canada. It will just be a staging operation. Planes will come over. I think they are to operate from Goose Bay; they will fly this training route perhaps on several successive days, and then fly back to their regular bases in the United Kingdom.

Mr. Douglas: Mr. Chairman, I thank the minister for his concise reply. I only want to say one thing, that when he tells us about reports in the *Globe and Mail* referring to the disposition of the CF-104's, the closing of one base in France and the retention of the other for the use of CF-104's which are being converted to a conventional role, it makes me somewhat apprehensive of the fact that this is about the third or fourth time in recent months that highly informed sources have been able with amazing accuracy to prophesy what the minister is going to announce. Again I imagine that somebody has stolen the minister's thunder and has told the public what the minister has only now told the House of Commons. I can understand the reluctance of the minister not to tell the House of Commons until the matter has been cleared up with our allies, but I should point out to the minister that it is a little disconcerting for parliament to find that most of the policies of the Department of National Defence seem to be announced in the press a week or two before they are announced in the house. While there might be a certain amount of guesswork going on, the accuracy with which these prophecies have been fulfilled makes one think that the minister ought to look and see whether there is a leak somewhere in his information set-up, or whether the minister himself is deliberately flying a kite—I do not know which it is.

Mr. Hellyer: May I say that the minister is a little apprehensive too. This information did not come from my office, if that is what the hon. gentleman is suggesting. Up to this moment I have not been able to find out just who the informed source was. I should like to know the answer to that question, and if the hon. member can assist me I would be most grateful. I find it a little disconcerting myself, because at noon I was eating in the restaurant and one of my colleagues, a member of parliament, introduced me to a young officer, who informed me to my face in front of my friend exactly what we proposed to do. So that when we refer to informed sources, it

seems to me there are quite a few of them, and it is very difficult to tell exactly which one it is.

For this reason I try to make the information public as quickly as possible. That was certainly one of the main reasons for making so many announcements on the estimates, even though they actually applied to next year's estimates, so as to end the rumours and speculation and to get the information on the record. I would be pleased to put the information respecting the other readjustments on the record just as fast as can be arranged in order to end this type of speculation, which I find a little interesting, as does my hon. friend.

[*Translation*]

Mr. Gregoire: Mr. Chairman, there is no doubt that the estimates of the department now before us are the most important of all the federal budget. As a matter of fact, the Minister of National Defence surely is the most greedy of all, since he takes for his department alone more than 25 per cent of the money collected from Canadian taxpayers.

I would now like to make the following remarks. I am amazed, like many other Canadians, to see that in a period such as this, the Department of National Defence has found it advisable to have three submarines built in England for the Canadian navy, while so many Canadian workers in our shipyards are now unemployed and greatly need the work that would have been provided by the construction, in Canada, of those three submarines.

I submit that the Minister of National Defence, before making other commitments of this kind and before granting to other countries contracts to build submarines, or aircraft, or any other type of military hardware, should first endeavour to grant them to Canadian industries, factories or shipyards.

If the Minister of National Defence could meet the Canadian people, he would realize that the public is voicing strong protests against his department's decision to award those contracts to foreigners while there is unemployment in Canada.

There are two or three other questions I should like to ask the minister.

First, are any nuclear arms stored at present at Bagotville for the Voodoos which are stationed there?

Second, if there are no nuclear weapons there now, when is it expected that a stockpile will be established?

Third, will the Voodoos stationed in Bagotville make daily flights or will they be allowed to carry nuclear weapons during their daily or regular flights?

Fourth, what kind of a danger can these weapons represent for the neighbouring population, especially when they are carried by the Voodoos?

I think that the people of our Saguenay-Lake St. John region, who are fine people living in a beautiful area, would like to know the answers to those questions so as to know what to think about the dangers that those weapons represent.

Finally, a fifth and very important question: to what extent will the Bagotville, Chicoutimi and Arvida region serve as target in the event of an enemy attack, in view of the nuclear arms which are stored there?

I should be glad if the minister would answer those questions so as to make the Canadian people aware of the danger that may threaten them.

[*Text*]

Mr. Cowan: Mr. Chairman, in rising to make a comment or two on the estimates of the Department of National Defence I should like to express my unqualified confidence in the minister and in the manner in which he is conducting his department. I like the man, I like his manners, and I like his methods. When I was sitting on the other side of the house in opposition a year ago I expressed my belief that the basic point in Canada's external affairs policy and the basic aim in its defence policy should be the friendliest of relations with the United States of America. This has been my lifetime conviction and it will remain with me till I shuffle off this mortal coil, I know. On December 5 of this year when we were earlier considering the estimates of the Department of National Defence, the hon. member for Winnipeg South Centre interrupted the hon. member for Vancouver East in his comments on defence policy. I read from page 5462 of *Hansard* for December 5:

> Mr. Churchill: Mr. Chairman, on a point of order—
>
> Mr. Winch: If you do not mind, I have only got 30 minutes.
>
> Mr. Churchill: You can take 30 minutes. I am raising a point of order. The hon. member has made a statement which is false and it must be corrected immediately...False statements made in this house must be corrected immediately...False statements made in this house must be corrected. They must be withdrawn if they are false. The hon. member's statement is false—

May I point out, while we are considering the estimates of the Department of National Defence—and this is Christmas time, a time of charity and good will—that the hon. member for Winnipeg South Centre on May 27 in this house produced a forged letter supposed to have been written by the United States ambassador to Ottawa and sent by him to the Prime Minister.

The Chairman: Order. I do not wish to interrupt the hon. member without giving him an opportunity to make his point, but I suspect that he cannot deal with the subject he is beginning to deal with while remaining within the four corners of vote 1 of the estimates of this department.

Mr. Cowan: I note that you were the chairman on December 5. I have one more sentence and then I will have completed my remarks. I should like to ask the hon. member for Winnipeg South Centre, in view of this point of order which he has discovered and which the chairman did not recognize on December 5, if he will not agree, now, to withdraw his statement made on May 27, and all its ramifications as are to be found in *Hansard* on pages 319, 320 and 321, thereby expunging a blot from the official record of this house and a personal affront to the representative of a friendly nation?

The Chairman: Order. I feel strongly that the hon. member is not in order in raising this point. It is not relevant to the vote which is now before the committee.

Mr. Churchill: On the point of order, I am surprised not only that the hon. member should have raised this matter but that he has been permitted to read it into the record. Are we not dealing with the subject of national defence? Do I, as a member of this committee, have no protection under the rules? If the hon. member wishes this matter to be debated I am prepared to give the hon. member an answer.

The Chairman: The hon. member for Winnipeg South Centre will realize that I felt at the start that the point which the hon. member for York-Humber appeared to wish to make was out of order. I cautioned him right at the beginning. He then said he had only one sentence to go in order to complete his point. It was a long sentence but, in fairness to the hon. member, I allowed him to finish his statement. I am in full agreement with the hon. member for Winnipeg South Centre that the remarks made by the hon. member for York-Humber were not relative to the item before us.

Mr. Winch: I know the minister did not make the decision, but can he give the committee any information as to the basis on which Canada purchased a type of CF-104 for our R.C.A.F. squadrons in Europe capable only of using nuclear weapons, whereas all the F-104's used by other countries were built with a dual purpose possibility. Why was Canada the only country which bought an aircraft with a strictly nuclear capacity? The CF-104 must have been built that way with the knowledge of the previous government. They must have known it could never be used, except with nuclear warheads.

Mr. Hellyer: First of all I might answer the hon. member for Lapointe. He asked if there are nuclear weapons now at Bagotville. The answer is, no. He asked when there will be nuclear weapons there. I do not know; probably late next year. He asked whether there will be daily flights with nuclear weapons aboard aircraft. The answer is, no. He asked what the danger would be to the people in the area when these weapons are adopted. May I say that every possible precaution is taken. We have safety procedures which are as good as can be devised and the success of these measures is shown by the fact that throughout all these years the United States has had nuclear warheads numbering many thousands, there has never been an accidental nuclear explosion. Every conceivable precaution is taken.

I am not familiar with all the reasoning which went into the particular configuration of the CF-104. It was part of the development of a new weapons platform embarked upon by a number of nations in co-operation. Canada shared the cost of that development. Our particular configuration was a little different from the F-104G which is used by some of our allies, but it does have some built-in capabilities. This would make it possible to adopt a dual role for part of the air division if that should prove to be the proper solution. The aircraft is capable of carrying bombs of various kinds. A Gatling gun can be installed. It is possible to fire rockets if the pods and the rockets are purchased. There are a number of minor modifications which, if undertaken, would give the plane non-nuclear capacity. The cost would vary according to what was done, but it would not be great. The necessary wiring is all built into the aircraft, and though some minor modifications would be necessary the cost would not be great in proportion to the total amount of money involved in the program.

Mr. Winch: Perhaps the minister did not follow my question. The F-104, with which a number of other countries are equipped is constructed with a dual capacity. Only the CF-104, which we have has been so constructed that it is only capable of delivering nuclear warheads. I believe this is a fact. If it is, can the minister explain why?

Mr. Hellyer: As I was saying, although the CF-104 was designed specifically for the strike role, it does have this capability of being easily adapted to a number of roles without need for major modification. The

capacity is built in so as to give considerable flexibility. It really is not very different from the F-104G.

Mr. Laniel: I should like to address a question to the minister of defence. I should like the minister to tell the committee something about the recent reductions in the budget of his department and the trend toward the reduction of national defence spending. I congratulate him on these reductions because the hon. gentleman has taken positive action in this regard. I should like to know from the minister if the economizing in his department will at the same time eliminate the possibility of his officials making a study with regard to establishing compulsory service in this country. In this regard I want to refer to the suggestion I made to the minister on October 29, for which I received congratulations from many parts of my constituency and from other parts of Quebec, and especially from people in the educational field. I repeat what I said at that time, that I feel that the youth of this country really need some discipline and additional education, and therefore the minister and the department should make a study of this matter. Even having regard to the need to reduce the budget of the department, I think the minister and his officials should not put aside the possibility of looking into this matter. It is something that would be good for the young people of the country, would give them some discipline and at the same time provide a supplement to their education. After all, I am not so sure that it would cost the country so very much, having in mind what is spent in the fields of welfare and unemployment.

[*Translation*]

Mr. Gregoire: Mr. Chairman, I think I should comment upon some of the problems raised by the hon. member for Beauharnois-Salaberry (Mr. Laniel). My hon. friend said, among other things, that compulsory military service would complete the education of our young people. I wonder how the hon. member for Beauharnois-Salaberry can justify the idea that it is up to the army to complete the education of young Canadians.

He also said that it would give them a sense of discipline. But what type of discipline would the member for Beauharnois-Salaberry want our youth to be taught? Military discipline or intellectual discipline?

If a man is to be judged according to a real scale of values, Mr. Chairman, I would say that the member for Beauharnois-Salaberry is wide of the mark; I feel that the best discipline that we can give our young people, is intellectual and moral discipline, which they can get in our vocational and training schools, rather than in the army.

Our educational system is not under the army's jurisdiction, though the hon. member for Beauharnois-Salaberry would like it to be; that system is under provincial jurisdiction, and I protest against this new infringement, by the federal government of a provincial field, that of education.

Mr. Laniel: Mr. Chairman, perhaps I do not have the same gift as the hon. member for Lapointe for making fiery and colourful speeches and for getting all sentimental—

Mr. Gregoire: Mr. Chairman, I rise on a question of privilege. I feel it should be possible to bring forth solid arguments and to judge these arguments according to their real value, instead of trying to distract the house's attention by speaking of colour rather than of value.

Mr. Laniel: Mr. Chairman, I think I should answer the hon. member for Lapointe. Listening to him, I soon found out that he had done very little or no military service—

Mr. Gregoire: Mr. Chairman, I challenge the member for Beauharnois-Salaberry to prove what he just stated.

The Chairman: I should like to ask the member for Lapointe to give the member for Beauharnois-Salaberry a chance to finish his remarks.

Mr. Gregoire: Mr. Chairman, I believe he has no right to make an allegation like the one he just made.

Mr. Laniel: Mr. Chairman, the hon. member for Lapointe has asked what additional education military service could give the young people in this country.

I wish to say to the hon. member for Lapointe and to all members of the house that if I am here today as a member of the federal parliament, I owe it largely to the army because the army gave me perhaps that additional education that our various institutions could not give me.

I acquired in the army a technique of work and things that I could not acquire in universities because they had not been put at my disposal. In the military service, I was able to complete my education. Moreover I learned what military discipline, individual discipline was but not necessarily the discipline which exists in the party to which the hon. member for Lapointe belongs.

Personally, I believe in military service, I know what it can bring to the young people. In fact, I received letters from educators, not only from my riding, but also from the city of Montreal—I could show you those letters—who simply congratulated me to

adopt such a position in saying that today, young people need discipline and that they can, in the army, learn how to assume responsibilities.

Mr. Gregoire: Mr. Chairman, I object to two allegations made by the member for Beauharnois-Salaberry. He said he had received in the army things that he could not get at the university. Mr. Chairman, I could not let pass without protesting that insult to our universities, because I think the universities of the province of Quebec can give—

The Chairman: Order. It seems that the discussion just started between two hon. members is not of a nature to advance the business of the committee and I would ask them to forget strictly educational matters to come back to item No. 1 now before us.

Mr. Gregoire: Mr. Chairman, I am willing to co-operate in order to accelerate progress of the business of the house, but not at the expense of the honour and reputation of the universities of the province of Quebec which are equal to the task—

Mr. Lambert: Learn to have some self-discipline.

Mr. Ricard: Mr. Chairman, the hon. member for Lapointe (Mr. Gregoire) is insulting the hon. member for Beauharnois-Salaberry (Mr. Laniel) by attributing to him words he has never uttered. And I think that before lecturing anybody in this house, the hon. member for Lapointe should have the honesty to report faithfully the statements that were made.

Mr. Gregoire: Mr. Chairman, tomorrow's *Hansard* will report the words said tonight by the hon. member for Beauharnois-Salaberry when he stated that he received in the army a training which he could not get at the university.

And I believe that tomorrow's *Hansard* will amply prove that the member really made the statement I pointed out.

Mr. Laniel: Mr. Chairman, I rise on a question of privilege. The only thing I wish to have recorded in *Hansard* is that I want the hon. member for Lapointe to know I never had the opportunity to attend university. If he had listened, he would have understood what I said, that is I did not acquire at the university what I was able to acquire in the army, since my basic schooling did not permit me to attend university. But, the army has nevertheless enabled me to be elected to this house and to serve my country perhaps even better than the member for Lapointe.

Mr. Gregoire: Mr. Chairman, I am happy to note the hon. member for Beauharnois-Salaberry at last succeeded in explaining what he wanted to say. I agree it was complicated enough, but by keeping on trying, he finally succeeded.

However, I maintain my statement to the effect that education comes under the jurisdiction of the provinces and not the army, and that the suggestion to make military service compulsory is contrary to the democratic principles we all cherish in this country.

During the last war, I was not yet old enough for military service, but despite all this, I did not hesitate to register in the air cadet corps of my country and I acquired in that corps, not education, but the necessary training, that is the training required to help defend my country, if the war had lasted any longer. That is how I know whereof I speak, since I belonged, at an early age, to a military corps which was called the air cadets of Quebec, and this at the Jesuits' college in Quebec.

On the other hand, I think that each individual should be left free to decide. This service should not be imposed upon him, because that is against the democratic principles that we must try to impress upon our young people, instead of trying to impose military service on them or to have them enlist.

Mr. Chairman, those are the remarks I wanted to make about the comments of the hon. member for Beauharnois-Salaberry, and I hope that, in future, the hon. member will think twice before speaking.

[*Text*]

Mr. Matheson: Mr. Chairman, may I say that I am sure everybody in this house is conscious of the fact the minister has taken a very searching look at defence. He has been assisted in this by members in all parts of the house who are, I am sure, aiming at precisely the same objectives, that is a more efficient contribution to the security of Canada and to our contributions to the alliance. There is only one thing I would ask the minister, and that is that in his search for economy, for a better role, he very carefully consider what can be done for Canada by those people who have given and who are prepared to give service in our militia.

There was a parade in my riding recently at which almost 100 per cent of the Brockville Rifles turned out. These militiamen have been giving hundreds of hours of their time to their country. They have been closely following the proceedings of the defence committee and every statement that has been made by the minister.

The Chairman: Order; may I bring to the attention of hon. members the fact that there

are conversations going on in the committee which make it difficult for the Chair to follow the speech now being made.

Mr. Matheson: May I say that these militiamen have been trying to follow intelligently what has been happening. They recognize the high priority of the needs of their fellow Canadians who are serving in the brigade in Europe, in the air force and at sea. They know we have to have new equipment. They know there have to be economies. I am sure this regiment is typical of many regiments across the country, and many hon. members could contribute in relation to their constituencies in the way I am tonight in relation to mine. This regiment has signed a document indicating that 100 per cent of the membership is prepared to continue serving in the regiment without any pay whatsoever. They care very much indeed about the future of the militia.

I know the minister right now is taking the best advice he can get from various sources. I would ask him to consider that the advice he is getting from the service chiefs is, of necessity, placing a high priority on the active forces. These men, who have to choose where cuts may be made in order to replace equipment, do not always find it possible to give the same attention to some factors that they would if the same pressures for economies were not upon them. They cannot now assess the role of the militia as dispassionately and objectively as they otherwise might.

We have had evidence from very distinguished officers such as General Foulkes and General Simonds, both of whom indicated the militia played an important part in the security of Canada. I hope that amongst the people who might be appointed to assist the minister in this advisory capacity there might be a very distinguished soldier, Brigadier Eric Snow, now of Toronto. He has had a lot of experience in action and with the militia. I believe he is the kind of person who will help, because when we are approaching the 100th birthday of Canada I am sure it would be a great tragedy if the militia just disappeared. I am sure the defence committee has not had a chance to go into this matter carefully. I think the minister, with the pressures upon him, has not had a chance to consider this matter with sufficient care.

I am not asking him to make any statement at this time; it would be premature to express a view on this problem. However, some of these militiamen care greatly about Canada and want to play a part in its security. I hope that they will not just go down the drain.

Mr. Churchill: I should like to support what the hon. member for Leeds has said. My whole purpose two weeks ago in declining to pass the estimates then was to give the minister an opportunity to review the situation with regard to the militia and the reserve units of the air force and navy. I was under the impression at the time he made that announcement about cutting the militia almost in half that he was acting rather prematurely. The very fact a person objects to that type of reorganization does not mean that a person is not in favour of reducing expenditures. Of course, the pundits put it the other way around and say that because we object to something the minister has done we are not in favour of reducing these expenditures. This is not the case at all. I imagine the hon. member for Leeds, who has spoken so eloquently about the militia, is just as much in favour of making reductions in defence expenditures as any member in this house. So am I. Surely it is our privilege to suggest to the minister that he re-examine this particular aspect of it and effect the reductions which he requires somewhere else. Let the defence committee assist him in this matter. Had we known that he was going to slice the militia we would most certainly have examined this aspect with great care. We would have had many witnesses there to talk to us. We had no knowledge of this at all until the minister announced it in the house.

The hon. member for Leeds has put forward the case with regard to militia, and the service they give to their country. The minister based part of his argument on the fact the militia is used for general mobilization and that the next war is not going to be like 1914 or 1939. He attempted to leave the impression that I was still thinking in the past. I believe my thinking is away ahead of the minister's. Having served in the militia and in both of these wars, I know very well the militia is not the foundation for general mobilization. How nonsensical to say that 50,000 men in the militia constitutes general mobilization. It is just nonsense. Nowadays we have manning depots for recruiting purposes and for processing people into the service. Having organized and commanded one of these manning depots since the second world war, I know what I am talking about. To say that the present formation of the militia is based in terms of the last world war where great masses of infantry were required is not to understand the facts of history.

In the first world war all sorts of regiments and battalions were organized without a militia foundation whatever. The same is true of the second world war; that is just nonsense. The

militia serves a purpose in giving an opportunity to our young men to gain military service. Military service is useful in a young man's life and you do learn things in military service that you do not learn in universities. I have had both experiences. I suggest to the minister that he have another look at this.

I am not overlooking the fact that from time to time the militia of this country has been reorganized. Of course it has. In the period of the '30's a great number of cavalry regiments were disbanded and amalgamations took place. If I had had any influence in the thirties, tank regiments would have been formed. But the thinking of the hierarchy in those days was against anything as modern as a tank. Yet I owe my life to the fact that a tank was present in the first world war. That is how experience influences your thinking. In the '30's the hierarchy was not up to the times. We do not want to be in that position in the '60's. We do not want to be away behind the times, having people in uniform doing jobs for which they are not suited in some future war.

I am prepared to go along with the minister, that the next war is not likely to be one of mass infantry actions, as were the first and second world wars. I am also prepared to go along with the minister that our active forces should be instantly ready for action and properly equipped. Incidentally, I hope the minister will correct *Time* magazine, which has misquoted him saying that our army is now the best dressed, etc., and the poorest equipped. The minister corrected it in the house, but the *Time* magazine writer failed to notice that correction.

I am prepared to go along with the minister with regard to the active forces. Behind the active forces, reserve forces are essential. People do move from the reserves to the active forces, and people who retire from the active forces sometimes serve in the reserves. This is true of the army, navy and air force. These reserve forces have some influence on the cadets. There are some changes that may be required; but let us look at them first. To cut the militia in half is to destroy the morale of the militia. I ask for a pause with regard to this proposal.

Finally, Mr. Chairman, let me say this. This was the point raised when we talked about this matter before and I asked the minister about the role of the militia in survival operations in civil defence. I was disappointed that he brushed me off and said this matter would be explained when emergency measures operations were under discussion in the house. Then he said the whole plan apparently had to be revised because the 265 columns for re-entry, and so on, are either badly placed or are not required in that number. I suggest to the minister that in addition to the work he has to do and the responsibility that rests upon him to make preparation through the services for a thermo-nuclear war, which is the worst of all, for a so-called conventional war and to make preparation for the work that we do with the United Nations, he still has this other job. That is the protection of the civilian population in case another war breaks out. If we are subjected to destruction in Canada by either conventional bombs as used in Europe or thermo-nuclear bombs, such as were used at Hiroshima, then we do need trained, organized, disciplined forces to assist the survivors. I do not know how that could be done except through the assistance of the regular forces and the militia forces that happen to be available in Canada, because people who have training, and understand organization, can assist the willing civilians to do the jobs that are required.

I fail to see how this type of work of survival operations can be carried out by just a civilian organization, because in time of emergency you have to have discipline. The serviceman is disciplined and understands the necessity of obeying orders, whereas the civilian does not have to obey orders. In times of great emergency a firm hand must be used and people must do what they are told. This is the result you get from service people. So, Mr. Chairman, may I join with the hon. member for Leeds in pleading with the minister to postpone his too drastic action with regard to the militia and the reserve units of this country.

Mr. Nasserden: Mr. Chairman, I have just a brief question for the minister. It would appear to me that the press and some others have interpreted the minister's recent announcements with regard to defence as reductions in the ultimate expenditures. I would like the minister to clarify that situation and let us know if the result will indeed be a reduction in expenditures or whether it is rather a change of emphasis in the direction of our defence program.

Mr. Lambert: Mr. Chairman, I would like to ask the minister one question. He may have dealt with this matter already, but I have not the information. Would the minister tell the committee what is planned in connection with navy league cadets, sea cadets and air force cadets, young soldier programs in the militia. Finally, would he tell the committee what will be done with the training divisions at the universities and with regard to training ships such as those in Hamilton, Vancouver and Edmonton—particularly in Edmonton,

where H.M.C.S. *Nonsuch* has been eliminated. What is to happen to the training division of the University of Alberta?

Mr. Hellyer: Mr. Chairman, the details of this are being worked out at the present time. There is no reduction in the allowance for the training of cadets. There was, as I announced on the second day of the debate, a reduction proposed for the future of about 50 per cent of the allowance for the university contingents. How and where the cadets can be housed, however, is a question which will have to be given detailed study. Just as soon as plans are complete, I will be glad to make the hon. gentleman aware of them.

Mr. Winch: Mr. Chairman, I am sorry that I did not enter the chamber until about half an hour after the minister started his speech. He may have dealt with this matter, but perhaps he did not. I would like to ask the minister if, as Minister of National Defence, he can in any way take this house into his confidence and give us some indication as to any proposals he may have made to the NATO council as to the role of Canada's armed forces within the operations of NATO.

Mr. Hellyer: Mr. Chairman, I think I did give the committee all the information that I can give at this time in that respect. There were no new proposals put forward to the council beyond the readjustment of the air division, which was referred to previously.

[*Translation*]

Mr. Perron: In the absence of the hon. member for Levis (Mr. Guay), who should take interest in this situation, I should like to direct a question to the Minister of National Defence, in connection with the low level of employment in the Canadian shipyards and especially in those of Lauzon.

Could the minister tell us whether the contract relating to the building of three submarines, which was awarded to shipyards in Great Britain, was awarded for economic or for technical reasons?

[*Text*]

Mr. Hellyer: Mr. Chairman, the answer to this question has been given a number of times in the house. It was a production sharing arrangement which was really commenced by the previous government and which this government decided to carry on. It does not actually involve a loss of employment to Canada. What it does mean is a shift in employment from one industry to another. This has a detrimental effect in one area and a beneficial effect in another. In order to alleviate the situation temporarily, the government has already announced a shipbuilding program in the civilian field. Beyond that, the Department of National Defence has indicated that it will resume its shipbuilding program just as soon as it possibly can, following certain studies which are now being carried out. The shipbuilding program will be a Canadian program, and the future requirements of the Royal Canadian Navy will be built in Canadian shipyards.

Mr. Nasserden: Would the minister answer my question?

Mr. Hellyer: I do not think I am at liberty to give the proposed estimates of our department for next year, but in the debate a week ago I said it was our intention to hold expenditures at about the current level and at the same time have a change of emphasis, to shift some of our expenditures from operations and maintenance to capital, to permit more research development and construction of new equipment.

Mr. Nasserden: Am I right in assuming we could not expect a reduction in expenditures, but just a change of emphasis?

Mr. Hellyer: That depends. A reduction from what? What is your starting point?

Mr. More: We all sympathize with the minister in the job he has to do and we realize adjustments and re-evaluation of programs are necessary, but I know that during the past three years the Saskatchewan area command has a new morale compared with its previous low morale, which resulted from an unfortunate situation that developed in previous years when the militia were somewhat downgraded. There has been a considerable pick up in the last three or four years. We are all proud of the new esprit de corps and the revitalization of the area command, our militia unit, and H.M.C.S. *Queen* which has given service for 40 years.

Among many people there has been great concern that the minister's initial announcement was too hasty and the evolution of the new program was not considered fully. I believe the minister has received some representations from Regina, and I wonder has he replied promising reconsideration, especially with regard to H.M.C.S. *Queen*?

Mr. Hellyer: I have not given any specific undertakings. What I have suggested is that this does not mean the end to the militia. Quite the contrary. Although we will have a smaller reserve force I am sure it will be a more effective force. I am sure there is general agreement that though at the moment we have quite a large number of units, some rethinking as to the number of units and the groupings should be undertaken.

That is the reason we are seeking assistance in this case from militiamen who know the

history, effectiveness and capabilities of the militia units. We will indicate to them what we need, the requirements we have for reserve forces, what they are to undertake and what their responsibilities will be. Then we will expect them to assist us by making recommendations for reorganization which will provide effective reserve units to carry out the tasks which would be theirs. Although this will mean a reduction in the numbers, I am sure the total force if anything will be more effective.

Mr. More: Is any reconsideration being given to the announcement that H.M.C.S. *Queen* would be closed completely and abandoned?

Mr. Hellyer: I do not think it has been reconsidered.

Mr. Winch: This is a department which concerns our party very much, but in view of the fact that the minister is taking a completely new look at all aspects of the armed services, that he has announced he will be bringing down a white paper early next year, that the special committee on defence has filed an interim report and hopes to be able to continue its studies next session, so far as I am concerned I have no more to say at this stage; but I want it clearly understood that this is on the basis of the white paper, the interim report, and the continuation of the study by the defence committee.

Mr. Churchill: I do not have very much more to say but I am surprised the minister is so assured his proposed reorganization of the militia is the right thing. He tells us the militia force will be cut in half, and then the militia officers will be called together to inform him whose throat is to be cut and which regiment. He says he is convinced we will have a much more efficient operation, but there is no evidence on which to base this point of view. I would like to ask the minister, who perhaps has not been associated with the militia—I am not sure—what happens if you cut the militia down to half size? Will the militia units only be in the big cities? What about all the smaller villages and towns from which have been drawn some of the best fighting men in Canadian history?

I could give many an instance of the work that has been done by militiamen and by retired soldiers. I can tell him of a retired naval chap who worked with the reserve army for years in an area in Manitoba which has produced, on a percentage basis, more men for the services than any other part of Canada. The reserve force was essential in order to give the young men something to do. If the forces are to be cut in half, will they be located in the big cities, or outside them in smaller places? It seems to me this cannot be done. We are talking in terms of 50,000 men scattered across 10 provinces, and that is a very small percentage of the population.

Like the hon. member for Leeds I wonder whether the minister has been listening to some people who scoff at the militia and think of them as "Saturday night soldiers," as they were described in a recent *Time* article. The Saturday night soldiers have given every whit as good service in times of emergency as others.

Has the minister been talking to some regular officers who are a bit irritated with the duties revolving upon them because of the militia? I have been all through this, and I understand the thinking of some people in the regular services who find it a bit troublesome working with a militia unit. From what source is he getting his advice. He cannot expect us to accept his assurance that this plan will provide a more efficient and better reserve force. That is not logical and I suggest he put a stop order on the so-called reorganization of the militia and the reserve units.

Let him give this problem to the defence committee for study, if that committee is reconstituted next session. It is too easy to write off the militia, and I speak from experience. I recall in 1938 when the crisis was almost upon us, at the time of Munich, a friend of mine said, "Now, you fellows who have been playing at soldiers, here is your chance." That was the way some civilians looked at the people who were in the militia. Our chance came one year later in 1939. They were Saturday night soldiers, says someone who I bet has never served in uniform. No one who had served in uniform would speak so disparagingly of the militia of this country. These people who have not given service say: "Well, these are just social clubs". Mr. Chairman. you can spend three nights a week in militia, as I have done year after year. That is why I did not become a first-class curler in the wintertime, because I spent three nights a week for many years on militia work. That was no social club activity. That was not being a Saturday night soldier. It was attempting to do something for our country, and a great many other people across the land did the same thing. I did not do anything of any special importance; others have done much more.

The militia of this country has never been properly recognized, and I think the minister has taken the wrong advice on this matter. However, I want to save him for another day. Let us save him for some other larger problems which we can quarrel over more effectively. Let us not quarrel over the militia.

Let the minister recognize the militia as the force it is in this country, and keep it in being, with certain modifications of course, without slicing it in half. What has disturbed us over the minister's action is the tremendous slice cut out of the militia. If it had been a proposed reorganization plan with a smaller percentage cut it would be different; but to cut the amount almost in half I think is disturbing and, I say seriously, is very unwise.

[*Translation*]

Mr. Choquette: Mr. Chairman, about the radar station in my riding. I am duty bound to intervene, because I have received from almost all the municipal councils to be found in the constituency of Lotbiniere a resolution stressing the importance of maintaining the radar station in St. Sylvestre. The chief reason for doing so is that the 80 civil servants who are working there would be laid off if the station were to be closed.

Mr. Chairman, I am strongly in favour of defence cutbacks. In this regard, I must pay special tribute to the Minister of National Defence (Mr. Hellyer) for acting the way he did.

However, I do not think it is expedient to close the radar station unless air detection has made such progress that it is no longer needed. If the rumours going around are true, then I believe it is my duty to urge the Minister of Industry (Mr. Drury) and the Minister of National Defence to see that none of those employees will be laid off and that the station is not closed before jobs have been found for those people.

[*Text*]

Mr. Nasserden: Mr. Chairman, I have one comment before leaving this item. It arises from the reply given by the minister. I hope that our civil defence program is not to be crippled so as to acquire high-priced hardware. When you take into consideration the situation in the world today, you cannot do justice to the subject at this time. In view of the state of the session I do not want to say anything more. However, I do want to leave that thought with the minister if he is bringing forward new programs.

Item agreed to.

The Chairman: This completes the estimates of the Department of National Defence.

Mr. Hellyer: Mr. Chairman, if you will just permit me before we go on to the next item of business I should like to thank the committee for its co-operation not only today but during the two earlier days of debate. I was very pleased with the quality of the debate. I found it very interesting and helpful and I think it reflected the study given of the matter by the special committee on defence. While I am mentioning the special committee on defence, I should just like to compliment that committee, the members of it individually and collectively, on the excellent report which they presented to the house today. They have obviously taken their task very seriously and worked assiduously in order to come up with a consensus which I believe represents a very good judgment of the evidence and the opinions put before them.

While I was in Europe last week I received only the highest praise and compliments, not only for the deportment of the committee when visiting Europe but also for the way they attacked their tasks and the intelligent and searching questions which they put forward. There is no question that over the past few years there has been a considerable amount of emotionalism regarding defence problems in this country. The report of the committee today represents, in my opinion, a tendency or trend toward, a non-partisan or multi-partisan approach to defence probblems. I think this is a most rewarding development. It was well worth the effort, because in my opinion defence is much too serious a business to be the subject of political footballing. I was very pleased to see the report and I congratulate the committee on their work. I am sure that, if the committee is reconstituted in the next session, it will carry on with many of the worth-while studies it has undertaken during this session.

DEPARTMENT OF TRANSPORT

120. Railway employees' provident fund—to supplement pension allowances under the Intercolonial and Prince Edward Island Railway Employees' Provident Fund Act so as to make the minimum allowance payable in the calendar year 1963 $30 per month instead of $20 per month as fixed by the said act, $7,000.

Mr. Knowles: Mr. Chairman, the last time we were dealing with the estimates of the Department of Transport I had a few subjects on which I wanted the minister to comment. Certain items were allowed to stand in order that he might be able to speak to us on these particular subjects. Item 120, I think the minister indicated, was an appropriate item under which he would deal with the question of necessary improvements in pensions of retired employees of the Canadian National Railways, and I hope the minister is ready with an appropriate statement on this subject tonight.

The minister knows that members of all parties in the house have for many years raised questions regarding the pensions of Canadien National Railways employees. We

are all aware of the fact that about a year and a half ago some very significant improvements were made in the pension plan so far as those still in service were concerned. I am raising this question because I want an answer from the minister and I do not see any point in talking if other people are talking to him over there.

Mr. Churchill: Which minister?

Mr. Knowles: The Minister of Transport.

An hon. Member: He is listening, now.

Mr. Knowles: Good. The point I was trying to make is that improvements in the pensions paid by the Canadian National Railways were made in the early part of 1962 by a revision of the plan, as far as those still in the company's service are concerned. But no improvements have been made affecting those who retired before April 1, 1962.

A few years ago, whenever we argued in favour of improving the pensions of employees of the C.N.R. or of retired civil servants, or of any group of people who had already retired, we were met with the argument that there had been a contractual arrangement and nothing could be done. But, as the minister knows, improvements have been made in the pensions of retired civil servants. Some of us think it is about time that these improvements were brought up to date; but at least the principle has been established. Some private employers have also recognized this problem and made increases in the pensions of employees already retired. The minister knows that there has been a great deal of correspondence about this subject throughout the years. Some of us feel it has been most unfortunate that these men who served the company for many years should not be getting the benefit of the higher standard of living and the higher standard of pensions which is now more general. Just as the company in co-operation with the government was able to meet the needs of those still in the service of the railway, I hope the government and the railway will find a way to deal with the pensions of those who retired prior to April 1, 1962.

The minister knows, because we have both been in this house for a good many years, that sometimes when I have made this plea I have trotted out the statistics which the minister of the day has put on record in *Hansard* in response to my questions. Those statistics indicate the number of retired railway workers who receive pensions and the amounts of pension they receive. Certainly, the number who receive pensions at a very low figure is altogether too high. I know this can be explained. In fact, in the tables which are given in *Hansard* there is usually a footnote explaining them. The fact remains that these faithful servants of bygone years are among those who have been overlooked with regard to the improvements which have been made for retired people generally. I hope we can hear from the minister on this important subject, and maybe tonight he will have something encouraging to tell the committee with regard to it.

Mr. McIlraith: As the hon. member has correctly stated, this subject was dealt with about a year and a half ago. As a result, those who are still employed are in a much better position with regard to their pensions. But the people who are of concern to the hon. member are those who retired before, and I take it he is concerned to know whether or not the government has any measure to bring forward at this time or in the immediate future which would better their conditions. I do not think this is an oversimplification of the hon. member's submission.

I want to tell him it is quite wrong of him to say that these persons have been overlooked. At the time I am not able to give the hon. member any helpful information with respect to them. It is a complicated question. It means providing, from one side only, funds out of which to pay the additional pensions. It involves, by inference, raising the pensions of all others as well. It would involve the railways bringing a plan forward. I assume, bearing in mind the operational requirements of the railways and the desirability of keeping costs down, that it would involve looking to the government for the funds from which to pay the increases suggested and I regret to tell the hon. member I am not able to give him any encouraging news at the moment.

Mr. Knowles: In view of the minister's statement that he has no encouraging news to give the committee on this subject I wonder what he means by saying that these retired employees have not been overlooked. It seems to me they have been overlooked and are still being overlooked.

Mr. McIlraith: That is not my understanding of the language. What it means is that this question has been getting attention. It has been studied. As I may have put on record —or perhaps it was something I said in private conversation—this very subject is receiving some study now and I hope to have these studies continued with a view to seeing whether something could be done. But there is nothing of a definite nature which I can say which would be helpful, and I am one who does not believe in trying to create a more favourable picture than that which actually exists.

Mr. Knowles: If the minister had only said that the matter was being studied I suppose we could take some hope out of it, but when he adds those words about nothing definite being under consideration it is a bleak prospect for the people concerned. I do not think it is enough to say that this is a complicated business, that it involves finding the money, and so on. I have already reminded the hon. gentleman of what had been done for retired civil servants up to a certain point in time. This was done on the basis of a formula worked out, although it had been said year after year that it was a complicated matter and that it could not be dealt with. I would remind him that the item under which we are having this discussion, an item which has been in the estimates for many years, provides for a supplement to the pensions of employees who came under the old Intercolonial and Prince Edward Island Railway Employees Provident Fund Act—pensions which according to that original act were very low. Yet some of these people are still alive, and it was recognized, on an ex gratia basis if you will, that they were entitled to something better.

And so a method was found. This item decreases year by year as these men advance in years and leave us. However, there are these several examples of a way being found when there is a will to find it. The minister says he has no good news to give me or the men concerned, but I hope the little sentence he put in about the matter being studied is one which will be stepped up. He must know from experience that some of us, when we feel we have a case that is just, do not let go. It is not just a case of making the same request year after year for the sake of hearing ourselves talk. It is also because we are aware of the fact that some of these cases that for 10 or 15 or 20 years we thought we could never win have eventually been won. I believe that the retired Canadian National employees who are asking that something be done for them have a just cause, and I hope the minister will step up the study or, to use the modern phrase, that he will do a study in depth and find a way to deal with the complications and to get the money, so that these retired faithful servants of the Canadian National Railways may enjoy the pension standards that are possible today.

Item agreed to.

140. Control of civil aviation including the administration of the Aeronautics Act and regulations issued thereunder, $5,211,100.

Mr. Nielsen: Mr. Chairman, I just have one or two brief questions to ask the minister on this vote. They concern the matter of sums to be repaid to international air lines as a result of the withdrawal of the government's suit against Pan American and KLM in connection with overflight charges that were made. Would the minister inform the committee what the total amount of repayments to the international air lines was, and would he also indicate specifically the amounts repaid to each of the air lines concerned?

Mr. McIlraith: Mr. Chairman, it is not possible to give that information because the precise amounts have not been calculated. This is an individual matter that has to be worked out with each air line, and because of the effect of allowances for other charges and so on the information is just not available yet. In any event, I can tell the hon. member that the total amount is something over $1 million.

Mr. Nielsen: Mr. Chairman, I think the committee is entitled to more specific information than that. As I understand government accounting procedures, moneys received by the government are accounted for properly. Receipts are issued upon the receipt of any sums by the department, and proper bookkeeping entries are made. Therefore it should not be difficult at all to determine immediately what amount is owing to each of the international air lines concerned. The reason I raise the question is that I doubt very much whether the minister knows.

Mr. McIlraith: He does.

Mr. Nielsen: If the minister knows, surely he can inform the committee what amounts are due and owing to the air lines involved.

Mr. McIlraith: I can only repeat that with the way the various charges applicable to air lines of this type are set out there may be deductions, in that when one charge is paid another one does not become payable and so on. The consequence is that you have to take each air line individually, get their flight statements and then re-account for a whole series of charges on each flight statement and arrive at the amount. This is now in the course of being worked out with the individual air lines. This being so, it is not possible to give the precise amount because it has not been determined by the department or, indeed, by the air lines themselves; but the best estimate I can give of the total amount to be repaid is a little over $1 million.

Mr. Nielsen: I still feel that the committee is entitled to a more satisfactory reply than the minister has given. If the minister knows the total amount of moneys that have been paid by these international air lines it should not be difficult at all to delineate specifically the exact sums which are due to be returned

to these international air lines as a result of the withdrawal of the suits against the two concerned. I believe the department does not know at all the precise amounts that are owing to the air lines. I believe further that the departmental officials—I was going to say the minister but perhaps it happened before his time—actually had to communicate with the air lines concerned to ask them how much money they had paid in. In other words, the government had to rely on the bookkeeping of the air lines in order to determine the amounts that were owing.

I am sure the committee would be very pleased to have the minister's reassurance that this was not the case. In any event, government accounting procedures surely are sufficiently precise to allow the minister to give a specific answer to this question, because this business of paying money in and paying money out as explained by the minister does not get around the fact that ordinary acceptable bookkeeping practices should be sufficiently accurate to allow the minister to state with precision the exact amounts that are owing to the air lines concerned.

Mr. McIlraith: As I indicated earlier, certain charges are not made where overflight charges have been made. For instance, a landing fee is not payable. Therefore you have to recompute the charge made on each flight. Each one has to be recomputed. What has been done represents a little more care in the accounting and bookkeeping system than the standard the hon. member is seeking to have imposed, in that the government sought to check and cross-check every figure with the companies concerned so there would be no dispute afterwards. In effect you have full knowledge, because you have the benefit of the cross-check. That is why the companies were asked for that information and I think it is the correct way to proceed in the matter. That is what I meant to indicate.

Mr. Nielsen: Is the minister saying that the department actually communicated with the air lines concerned in order to ask them how much they had paid to the department in respect of these overflight charges?

Mr. McIlraith: No, Mr. Chairman, but the department did communicate with each air line to cross-check their records.

Mr. Nielsen: On this point I wonder whether the minister communicated with Trans-Canada Air Lines for the same purpose, in order to determine whether or not the figures that the minister mentioned were accurate with respect to that international air line?

[Mr. Nielsen.]

Mr. McIlraith: In the case of every trans-Canada flight, they were landing in Canada so it would not be necessary with them.

Mr. Nielsen: Am I to take it that Trans-Canada Air Lines as an international carrier paid no overflight fees at all under the Financial Administration Act which authorized the charging of fees against two international air lines using Canadian air space, and air space under Canadian jurisdiction?

Mr. McIlraith: That statement I believe to be correct. It is possible there could have been a flight or two but I believe the statement to be correct.

Mr. Orlikow: Mr. Chairman, I do not think I have to reiterate that the members of this group have always been strong supporters of Trans-Canada Air Lines. We have always believed that the best air transportation system in Canada should be publicly owned. We certainly opposed the decision of the former government to permit C.P.A. to operate a transcontinental run, a decision which has since caused T.C.A. financial difficulties. It is with a good deal of regret, therefore, that I want to say that some of us are, to say the least, very unhappy about the leadership that T.C.A. is getting from its present chief officers. We do not like to criticize the detailed operations of a crown corporation. I am not rising to complain about Mr. McGregor just because I disagree with a decision he obviously made some years ago that the head office and most of the operations of T.C.A. which had been in Winnipeg should be moved to Montreal.

If Mr. McGregor had had the approval of his board of directors, if he had so reported to the government and to the minister in charge, and the minister had reported to parliament and had received approval for this transfer, even though it was and is a real blow to the city of Winnipeg, I would not now be complaining. The fact is that on innumerable occasions Mr. McGregor speaking for T.C.A., as well as the ministers in charge—

The Chairman: Order. May I bring to the attention of the hon. member for Winnipeg North that I have very serious doubts as to whether he can go into the detailed operations of Trans-Canada Air Lines on particular points which would normally be considered by the special committee on railways, air lines and shipping operated by the government. I have not interrupted the hon. member, but perhaps he could make his point briefly. I think his remarks should be directed to the vote which is now before the committee.

Mr. Knowles: In so far as the point you have raised is concerned, Mr. Chairman, I

am sure the Minister of Transport will recall that when we had the first item of these estimates before us there was a desire to get the first item approved, and to get as many other items through as we could. Some of us identified the subjects we desired to discuss and asked that items be designated on which we could discuss them. I have dealt with the Canadian National pensions under the item agreed upon for that subject. It was agreed also that we would discuss the T.C.A. base at Winnipeg on the general item of the civil aviation branch. I think, Mr. Chairman, your ruling is technically correct, but we had this agreement the other night, the last time the estimates of this department were before us.

The Chairman: If that is the wish of the committee, of course the Chair is satisfied.

Mr. Orlikow: I was saying that if this decision of T.C.A. to move the major facilities from Winnipeg to Montreal had been made years ago, and had been approved by parliament, I would not be objecting. As I said, the fact that the decision had been made has been denied consistently. As long ago as 1948 questions were asked about the possibility of this move of T.C.A.'s head office from Winnipeg to Montreal. The minister then in charge, the late C. D. Howe, made it very clear T.C.A. had no intention of moving its main departments from Winnipeg. I was not here when Mr. Howe was minister, but I have heard enough about him and read enough to know that he was a pretty strong minister. If it had been recommended to him by T.C.A. that the headquarters should be moved, if the case had been proved to him, he would have so reported to the house. I do not believe for a moment, Mr. Chairman, that Mr. Howe would have said in 1948 that there was no intention to do this, if the decision had been made and he had known about it.

At that time Mr. Howe said that while some head office departments might be moved, 95 per cent of the company's activities would remain centered in Winnipeg. A few months later, following further rumours that T.C.A. would move its main overhaul base to Montreal, Mr. Gordon McGregor, then as now T.C.A. president, said that some executive staff might move but the overhaul base would stay. In 1949, Mr. McGregor announced that the administrative offices and operations department of T.C.A. would move to Montreal in the fall. He said, and I quote:

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

Later that year Mr. Howe said that T.C.A. did not contemplate making further transfers of personnel from Winnipeg to other centres. In October, 1951, T.C.A. transferred radio technicians to Montreal. In the same month a T.C.A. official said there was never any suggestion that the mechanical operations of the company would be moved from Winnipeg and that the city would continue to house the system's only complete repair system. In February, 1956, T.C.A. announced that it was dropping major overhaul work on aircraft radio equipment in Winnipeg, and that the staff had been offered transfers to Montreal where the work was to be centralized.

A few months later Mr. McGregor denied that the company was about to consolidate its two repair depots at Montreal and Winnipeg into one unit. In September, 1957, T.C.A. officials denied rumours that the overhaul base was to be moved from Winnipeg. Mr. McGregor assured T.C.A. employees in Winnipeg that operations in the city would not be curtailed as new operations were introduced. In October 1958 a T.C.A. official announced that in 1960 T.C.A. would move another 100 of its Winnipeg based workers to Montreal. This was the instrument shop.

In January, 1961, Mr. Hees, then the minister in charge, wrote a letter to the Manitoba government to the effect that the overhaul base in Winnipeg would be closed in 1965 or shortly thereafter.

Now, Mr. Chairman, in January of this year, I think it was, the people of Manitoba sent a delegation to see the government. The then minister, Mr. Balcer, assured them that a study would be made and that in the meantime there would be a job freeze as far as Winnipeg was concerned. During the election campaign the present Prime Minister made certain statements. I am not going to go into them tonight because we can debate them at some other time. These statements were taken by everybody in Winnipeg, including the Liberal candidate in the last federal election, and the Winnipeg *Free Press*, as a commitment that Winnipeg would remain the major overhaul base for T.C.A. I believe that in June another delegation from Manitoba came to see the Prime Minister and he gave the same assurance. The other day the Prime Minister reiterated the same kind of thing in a statement to another delegation.

The overhaul base at present is overhauling the Viscount and Vanguard planes which, as soon as T.C.A. switches to medium jets, will no longer be used. Obviously, then, the base will have to be closed. The interesting thing, and the obvious thing is that since January, when supposedly we were to have a job freeze promised by the former government, and which I take it is still in effect because this government has not repudiated it, 200 workers at the overhaul base have been transferred to Montreal. There are now 200 jobs less in Winnipeg than there were in

January. I do not think this is an accident. I think this is part of a deliberate plan made by Mr. McGregor of T.C.A. back in the late forties. If T.C.A. had given reasons for this decision at that time, I might have disagreed with it, but I would not be objecting now.

I think, Mr. Chairman, that this has been done by stealth, with deliberate misrepresentation by Mr. McGregor. When I say that I want to say that I speak for every group in Winnipeg, every political party, every trade union and every business organization in Manitoba. Indeed, I can honestly say I have never seen such united feeling on any issue as I have on this. In my opinion, when the head of a crown corporation misrepresents the facts as Mr. McGregor has, when he hides important matters from the people who hired him, because after all T.C.A. belongs to the people of Canada, that man has outlived his usefulness. Mr. Chairman, I think it is time the government gave serious consideration to getting a new president for T.C.A.

[*Translation*]

Mr. Gregoire: Mr. Chairman, since item 140 refers to civil aviation, as a member of this house, I should like to call the Minister of Transport's attention to an important point.

I would like to know whether the Minister of Transport, who is responsible after all for civil aviation and its related branches in Canada, or his departmental officials, makes investigations and experiments in order to develop a true aeronautics industry in Canada.

This is a question of current interest, since T.C.A. has purchased or will purchase over a rather brief period about 30 rather large aircraft as well as medium range jets.

There is then good ground to ask ourselves whether a crown corporation directly coming under the Department of Transport and with the assistance of other departments of the government and with all our engineers, technicians, labourers, could not have promoted the permanent establishment of such an important industry in our country, such as the aeronautics industry? Is the government taking the necessary steps to achieve that purpose?

It is noted that T.C.A. has chosen an aircraft, a very unimportant part of which furthermore will be manufactured in Canada, while this opportunity could have been used to undertake the development of a complete aeronautics industry.

We feel that the Minister of Transport is to blame in that connection for failing to intervene and protect the interests of the Canadian people and to develop our aircraft industry.

[Mr. Orlikow.]

We put on the order paper a motion calling for the tabling of the report submitted by T.C.A. employees, engineers and experts concerning the choice of the new aircraft. Our request was turned down and the main argument used to justify the choice of the DC-9 is that its operation would be cheaper for T.C.A. It may well be; in fact, we are quite ready to admit it.

In that case, only T.C.A. would be making savings. Would it not have been possible to consider savings at other administrative levels? Would it not have been possible to prove that the savings made by T.C.A. could have resulted in much bigger savings for the country?

If you consider the question in general, the choice of the DC-9 means that T.C.A. will be buying an American aircraft. That is a serious business since our capital will be flowing out of the country at a time when our balance of payments is already unfavourable.

Had we been in a position to decrease the deficit balance of our international payments by that much, I am sure that the Minister of Finance, if he were here, would have been very glad. This is to say that we would have been able to make direct savings in that the balance of our deficit payments would have been reduced by that much. We would have thus had a certain profit which could have made up for the savings that T.C.A. has been able to make by purchasing the DC-9 aircraft.

The second factor is the fact that the DC-9 will be mostly built in the United States, while we could have built the Caravelle in Canada. This would have supplied work for many years to thousands of Canadians, and would have resulted in another saving, in that those workers pay income tax to the Canadian government.

Now as a third element; we must consider the expenses it would have saved the Canadian government, namely that the government would have avoided paying unemployment insurance or social assistance benefits to every one of those unemployed. It would already be a second source of savings that the Canadian government would have made on the whole.

It is a fact that when two Canadian workers are given jobs in industry, a third Canadian citizen finds employment in related spheres or in sales. That means that for every 2,000 Canadian citizens employed in the building of the Caravelle we would have 1,000 Canadian citizens employed in related fields of services or sales.

Then if we consider the salaries paid to Canadians, if we consider the taxes paid to the government by Canadians, if we consider unemployment insurance and social welfare,

that the government does not have to pay if we consider the savings realized by the Minister of Finance in reducing our balance of payments, then we can realize that for the country as a whole, it might have been more profitable if Trans-Canada Air Lines had got these Caravelle aircrafts, even at a greater expense.

In my opinion, the Minister of Transport, as a responsible member of the federal cabinet, should have tabled this report and submit it to the members of the house and to the other members of the cabinet, in an attempt to find out whether, on the whole, it would not have been possible to save more money than by purchasing the DC-9.

All the more so since at the present time any industry could have developed. We could have trained technicians, skilled workers who could have created a Canadian aircraft industry. There is no doubt that would have helped our country to find new markets, new export outlets.

If we had wanted to study the problem, not only in the limited sense of technicians and experts, but adding to it a number of opinions, the views of our competent economists—at least those who are—we could have studied also the problem of industry and foreign trade as well as our balance of payments deficit. Those are all matters T.C.A. could have looked into.

The Minister of Transport has neither the character, nor the strength or competence required in that field to analyse all the related problems concerning the choice of an aircraft. In fact, he has not even shown the business ability which we expect to find not only with a director of a crown corporation but with a member of the cabinet of a country like Canada which is due to develop. Mr. Chairman, that is the point I wanted to bring up.

There is also another field in which the Minister of Transport must assume his part of responsibilities as he was sitting beside the president of T.C.A. when the latter made his statements on the Caravelle, the aircraft produced by the Sud-Aviation.

I have read the committee's report on that point. Sometimes I feel that the Minister of Transport (Mr. McIlraith), and the Secretary of State for External Affairs (Mr. Martin), have some responsibilities in the matter, and that they must try and restore the harmony which should reign between two great countries like Canada and France, and between two large air companies like Canadair and Sud-Aviation.

I think that the minister should see to it that the necessary excuses are offered to the French people, who are a proud people and naturally keen about a plane like the Caravelle, which has been imitated by several other countries.

I hear the hon. member for Dollard (Mr. Rouleau) saying, ah! ah!; I feel sure that his constituents, many of whom will not be able to find jobs, because the member for Dollard did not have the courage to stand up and to demand that the Caravelle be built in Montreal—

Mr. Rouleau: May I ask the hon. member a question? Does he know that the 5,800 employees of Canadair will hold their jobs for two more years because of the contracts awarded by the federal government?

Mr. Gregoire: Mr. Chairman, I appreciate what the hon. member for Dollard has just said, but I never learned to be satisfied with little when I can get much more. If the hon. member for Dollard is satisfied with the minimum, his electors will judge him, but as far as I am concerned, I think that a country like Canada, in the full swing of 20th century development, cannot be satisfied with the minimum but should rather strive for continuous development and for increasingly accelerated progress. It is nice to be satisfied with the minimum, but the Canadian people need better members than that; they need members who want their country to have an aircraft industry as well as develop and prosper in all other fields.

Mr. Chairman, as I was saying, apologies should be tendered. I said also that we should get more information on those matters and above all inform the people because today they want to know what is behind all those things.

When, for instance, a report published about the Winnipeg base, which was mentioned in the house, says not only that this base must not be closed but should be kept in operation until 1973 and, a little later, it is said that an aircraft built in the United States must be purchased and the minister then refuses to consider instances and requests made to him in favour of another aircraft, we think there is one law for the rich and one for the poor.

If the minister had analysed the whole situation, not only on the basis of T.C.A. but on the basis rather of the general economy of the country, I am convinced that changes would have been made at that time and that we would have agreed to build an aircraft called Caravelle thus developing an aircraft industry here in our country which would have provided jobs for our people.

Mr. Chairman, I said earlier, when the hon. member for Dollard interrupted me, that we should offer apologies to the French people who are proud of their Caravelle which is

today copied by several other aircraft designers in other countries, and among them the builders of the DC-9 who are using the same fundamental principles which was used by the French aircraft industry when it built its Caravelle and even its Super-Caravelle. The latter will be more technically advanced and will be put into service, not in ten years as has been claimed, but in 1964 as asserted by Sud-Aviation.

Mr. Chairman, I submit that those are important points which have not been taken into consideration lately and on which the cabinet did not try to get information. But I say that this must be a warning to the present cabinet, and that the facts must be put forth so that, when faced by a problem, it does not approach it in such a restricted sense but in a sense that embraces the whole economy and development of the country.

[*Text*]

Mr. Douglas: Before this item passes I want to ask the minister a question to which I hope he can give me a satisfactory answer. What considerations were given by T.C.A. to Transair in return for the latter company assuming responsibility for the so-called prairie milk run? The reason I ask the question is that, as most hon. members know, T.C.A. found the prairie milk run uneconomic and wanted to dispose of it. Transair offered to take it over and applied for the franchise.

I am told that the consideration given to Transair by T.C.A. consisted of a Viscount, two DC-3 aircraft, and about $500,000 worth of DC-3 aircraft parts, all for the nominal sum of $1. In the committee the president of T.C.A. said this was a good deal for T.C.A. because it was getting out of an uneconomic line. I am not quarrelling with the deal at all. The reason I am raising the question is that Transair, who got this very considerable reimbursement, has now applied to get out of the uneconomic parts of the prairie milk run, and under air transport board order No. 3784 of December 10, 1963, they are going to abandon the service from Regina, Swift Current, Medicine Hat and Calgary, effective January 11, 1964.

The point I am making is that this company got a very considerable compensation to assume a franchise on the prairies, and it would appear it is now welching on the agreement; that having got some consideration from T.C.A. it is now prepared to drop the uneconomic part of the run, retain the lucrative part of the operation, and still keep whatever consideration T.C.A. gave it. I am not blaming the minister. This did not come under him, but what I am asking is whether T.C.A. is going to recover any part of what was given to Transair, or is the air transport board going to take into consideration, when it reviews this matter, that this company not only applied for a franchise and got it, but got in addition a very considerable reimbursement in the form of the aircraft and the $500,000 worth of parts to which I have referred?

I would like to ask the minister what consideration was given? Is the consideration I have outlined an accurate one, and what steps is the government going to take to make sure that Transair, having accepted this consideration, is not now going to be allowed to welch on its agreement and discontinue the service which it undertook to operate when it applied for the franchise and took this consideration from T.C.A.?

[*Translation*]

Mr. Balcer: Mr. Chairman, I do not want to speak for too long—

Some hon. Members: Hear, hear.

Mr. Balcer:—in view of the enthusiastic reception I am getting from my hon. friends opposite, I shall stretch my comments.

Mr. Chairman, I should like to take this opportunity to refer to certain articles which have appeared in the press, especially one written by a talented young writer, the hon. member for Port Arthur (Mr. Fisher), concerning the dealings of the French ambassador to Canada. The Ottawa correspondent of the Winnipeg *Free Press* also wrote on the same subject.

Mr. Chairman, I believe everything the French ambassador did in this matter was right. I know that some people, like the hon. member for Port Arthur, were shocked because the ambassasor of another country tried to help one of his country's industries to secure a contract in Canada. In my opinion, there is absolutely nothing there that is not in keeping with the role of an ambassador and I would go as far as to say that all good ambassadors are guilty of the same crime. Besides, the duties of an ambassador have evolved considerably in past years, especially since we have international organizations, like the United Nations and NATO, and since communications between countries take place at the ministerial level when political questions are settled directly between governments.

In my opinion, the embassy in question accomplished its duty by trying to promote, quite strongly, I must admit, the sale of a national product. I have nothing to say against that and, moreover, I hope our Canadian ambassadors will do the same thing everywhere in the world, instead of just giving parties.

I may quote the example of one of our best ambassadors, Mr. Bull, who was ambassador at Tokyo. I recall that once every year he

would give a party for all the bakers in the city of Tokyo, in order to promote the sale of good Canadian wheat. I suggest that this ambassador acted as a good Canadian and that he did not do anything not in keeping with his duties as an ambassador, even if he did not follow the old obsolete rules which may have had some purpose in the past. I believe that in doing what he did Mr. Bull played his role of a Canadian representative abroad.

Now, I should like to tell my hon. friend from Port Arthur that, instead of being shocked because a foreign ambassador behaves like a good citizen of his country, he should write another article, in that style of his we all marvel at, where he would encourage our own ambassadors to do the same.

[*Text*]

Mr. Fisher: I should like to ask the hon. member a question. Can he explain, if this is good tactics—and I am not going to quarrel with that particular argument—why there was none of the propaganda in favour of the Caravelle put to the English speaking members of parliament? Does this not raise the issue that there is a possibility that the French ambassador, recognizing a particularly difficult situation in the country at this time, was deliberately exploiting the kind of spirit which is tending to divide us?

Mr. Balcer: The hon. member for Port Arthur was a member of the committee, as I was, and I think he was the one who asked, or was there when one of the members asked, the Minister of Transport whether he had received a visit from General Puget of Sud-Aviation. He asked the minister who was accompanying General Puget and the minister said that it was the French ambassador. The French ambassador addressed himself to the Minister of Transport. He was very friendly to the French Canadians, but he is not a French Canadian. I do not know about the different moves which have been made by the French ambassador, but I think that by addressing himself to the Minister of Transport he has done precisely what my hon. friend was trying to say that he did not do. I do not know everything that the French ambassador did, but I would not be at all scandalized if he tried to sell a product of his country. I hope our ambassadors will do this same thing, wherever they are in the world.

Mr. Nugent: Mr. Chairman, I will take only a few minutes to raise a couple of points. One arises out of the hearings of the committee dealing with T.C.A., wherein I found it a little dismaying to find that the Montreal-Ottawa-Toronto run is losing so much money. On this run aircraft are operating at a very satisfactory level of occupancy. The testimony before the committee indicated that under apparently ideal conditions of passenger traffic in the present aircraft, or on the DC19 which they are planning to buy, all we could look forward to is a further deficit on this run. Since the public will have to reimburse any deficit, what dismays me is that there was no testimony given to show what plans T.C.A. have to circumvent this problem. There was no suggestion of a new way to cut overhead.

By way of example, let me take the P.W.A. air bus between Edmonton and Calgary, on which run you merely walk on the plane and buy your passage on the aircraft. This might be more appropriate under item 145, dealing with ground handling, etc. It might also mean that T.C.A have some ideas which they did not reveal to the committee, although I wish they had said something about it.

So far as our last meeting was concerned, the situation seemed to be that with a satisfactory volume of traffic to create maximum efficiency, and with the aircraft of their choice, they cannot operate a run of that kind with anything but a deficit for some time to come in the future. The committee was left in this state, that there was no suggestion from T.C.A. that they had used any imagination as to different aircraft, a different manner of handling them, or any method of reducing ground handling costs or other costs, or whether the run should be taken over by a smaller air line with a smaller overhead. Perhaps that is the answer, but I want to inform the minister of the situation as it exists today.

It is not so bad where T.C.A. does provide a much needed service. It is not a case where they cannot get the passenger traffic. They have a very satisfactory passenger demand. In cases where planes are full but they are still losing money, obviously something more is needed. If T.C.A. have no more answers they had better find them, and I hope it is not a case of concealment from the committee.

Another point concerns Edmonton municipal airport, a matter I have raised before. The present situation is that half the traffic out of Edmonton use the new Niksu airport and half the old municipal airport, but the government is cutting off some assistance, less than $200,000 a year. If the municipal airport is cut down in this way the result to Edmonton is a loss of service. The planes now flying from the Nisku airport to Calgary are not giving as good a service as they used to give. We have made a very large investment, and if there is discouragement of air services at the municipal airport about 50 per cent of Edmonton's present air services

are going to step down a grade again. I think that no one in authority would want to think that the immediate result of an investment of $30 million or more on a new airport is a reduction in air services. The proposed reduction of $200,000 a year is less than one half of the interest on the money invested. This seems to me a penny wise, pound foolish approach. If government expenditures on airports and air services are justified we must strive to get the most per dollar we can. I want to point out that the dollars which go the furthest and give the most in air services, and the most to Edmonton, Calgary and the entire north country as far as the Edmonton municipal airport is concerned, are those dollars now spent on the municipal airport at Edmonton. I ask the minister to reflect seriously before he cuts out this small amount of money and gives Edmonton a worse air service than it had before. At the moment, the only benefit we have is from the jets. Long range jets can land there. But most of the service at that airport has been poorer, and if the department continues its present policy the other half of the air service will deteriorate. The minister can stop this trend, if he wishes, by restoring the cut and making sure that Edmonton airport remains open and that we can have good service.

[*Translation*]

Mr. Pigeon: Mr. Chairman, I fully agree with the member for Three Rivers (Mr. Balcer) concerning the statement made by the hon. gentleman for Port Arthur (Mr. Fisher).

I think the French ambassador to Canada was duty-bound to take the necessary steps so that, if possible, T.C.A. would choose the Caravelle.

[*Text*]

I should like to direct a specific question to the Minister of Transport. I hope he will reply directly because otherwise we shall be obliged to spend two days on his estimates. I ask him if he shares the views expressed by Mr. McGregor as to the capacity of French Canadians to take their place in T.C.A.

Mr. More: I do not want to repeat what the hon. member for Burnaby-Coquitlam has said with regard to Transair. There is, naturally, concern that they are abandoning this particular leg of this run on January 10. I understand they have the equipment, valued, according to some estimates, at $1 million or more. T.C.A. is reported to be losing $230,000 a year on serving this route. Transair has been serving the route for less than a year. Surely this company is not going to get out of the duty which it accepted to serve this run. I ask, what is the relationship between T.C.A.

and Transair Limited with regard to the ownership of this equipment, in view of the fact that they are getting out of the unprofitable portion of the run to serve the profitable portion of this run, and the service to the community is being denied.

[*Translation*]

Mr. Gregoire: Mr. Chairman, I see that some people feel frustrated. Those who are not allowed by their whip to take part in the debate would like to prevent from speaking those who are free to do so. We shall give them the opportunity of getting rid of their complexes and to say what is on their minds in this house. It will do them good, I believe.

Reference was made earlier to the article written by the hon. member for Port Arthur (Mr. Fisher). Personally, I thought it was better not to mention it, because I have known for a long time that when the hon. member refers to something else than Maurice Richard and Lili St. Cyr, he talks nonsense.

On the other hand, the hon. member for Three Rivers (Mr. Balcer) termed the whole thing as gossip and I think it was rather improper of him to do so, because hardly two days ago, he made so bold as to rave and gossip—

Mr. Balcer: Does the hon. member allow me a question?

Mr. Gregoire: Yes.

Mr. Balcer: Has the hon. member paid his $3,000?

Mr. Gregoire: Mr. Chairman, I paid $1,671 in income tax to the federal government, and this is due to the bad administration under the Conservative government as well as under the Liberal government at the present time.

As for the rest, I say that the hon. member for Three Rivers has only gossiped just like his Conservative colleagues of the province of Quebec.

However, I wish to point out a fact. Several persons, among whom some newspapermen, have asked us whether pressures had been brought to bear on us or whether we had obtained some information from the French embassy about the Caravelle aircraft, or whether questions had been suggested that we should ask the president of T.C.A., and so on.

In view of the rumours abroad, I wanted to deny that we had ever been in touch, that any member of our group had ever been in touch with the French embassy, concerning the Caravelle or anything else for that matter, and that the embassy had brought pressure to bear on us.

Mr. Perron: Mr. Chairman, since there has been some mention in the last few minutes of the uneconomical flights operated by T.C.A. and in view of the fact that, this week, attention was drawn to the unfair competition on the part of this crown corporation which operates small uneconomical routes from one end of the country to the other, I should like to make a few remarks—

[*Text*]

Mr. Pickersgill: Would the hon. member for Beauce permit me to interrupt him for a moment? It would appear to me that it is eleven o'clock and that we are unlikely to get this particular item through. Perhaps the committee, in the next thirty seconds, would consider dealing with the balance of the items in this department and we could hold over this particular item until tomorrow morning. I think that would create a better psychological situation. I do not intend to suggest that we should extend the time in order to do this.

Mr. Barnett: I think the minister is aware that I have a long anticipated date with him on one of the other items.

Mr. Pickersgill: Would the hon. gentleman object to the other items passing, except this one and the other with which he wants to deal.

Mr. Gregoire: The suggestion is that we should stand this item. Is that the proposal?

Mr. Pickersgill: It would appear to me now that the best thing to do is regard it as being eleven o'clock.

Some hon. Members: Carry on.

Mr. Peters: I should like to call it eleven o'clock and suggest to the committee that we meet tomorrow at ten rather than eleven and dispense with the question period. We could consider what would be done about the luncheon hour in the light of the progress being made and we would be in a better position to determine how long the session would go.

Mr. Pickersgill: I think that is a most constructive suggestion and I hope it will commend itself to all members of the committee. Perhaps when the Speaker is in the chair we could have an order made along the lines suggested by the hon. member for Timiskaming, that we meet at ten o'clock, dispense with the question period, go right into committee of supply and get on with our business.

Mr. Churchill: The only thing I think is wrong with that is the waiving of the question period. That is unsound. Something might happen in the interval. We do not object to sitting at ten o'clock.

Mr. Pickersgill: Last night the hon. gentleman was ready to prorogue tonight, in which case there would have been no question period on Saturday, so we would be giving up something which, if his expectations had been realized, would not have existed. I suggest we accept the suggestion of the hon. member for Timiskaming.

Mr. Pigeon: If we want to complete these estimates it is important that the Minister of Transport should answer the direct question I put to him.

Mr. Herridge: Would the house consider a compromise and limit the question period to 30 minutes definite?

Mr. Pickersgill: Fifteen.

Mr. Leboe: Mr. Chairman, surely we should waive the question period entirely. It is a Saturday and not a normal sitting day. There is not going to be too much press coverage come out of it anyway on a Saturday.

Mr. Churchill: There may not be very many answers come out of it either, but I think parliament exists as an institution which requires a question period. Thirty minutes as has been suggested is all right but let us not bargain everything away.

Mr. Pigeon: It is not a question of publicity.

Some hon. Members: Oh, oh.

Mr. Pigeon: We work for the public interest.

Resolutions adopted in committee of supply this day reported and concurred in.

Mr. Deputy Speaker: It is the understanding of the Chair that we will meet toworrow at ten o'clock and that there will be a 30 minute limitation on the question period. Is that agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It is so ordered.

Mr. Douglas: What about the balance of the day? Do we rise from one to two?

Mr. Pickersgill: I understand the other place has adjourned to meet at one o'clock. I would hope that if there was some reasonable prospect of concluding our business by say, two o'clock we would not rise for lunch, but if we were going to go on all day perhaps we could rise between one and two. If it could be understood that there would not be any objection taken to making a decision at that time and taking the general sense of the committee at that time, it seems to me that that would be the best arrangement.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Perhaps I might indicate the order in which the departments will be called tomorrow. We will continue with the few items left in the Department of Transport. I believe there are four or five or possibly six. Then we will take the Department of External Affairs, then the Speaker's estimates, then the estimates of the Minister of Finance, then the various items for which I have to answer to the committee, and finally the one item that is standing in the Department of Northern Affairs and National Resources.

It being eight minutes after eleven o'clock the house adjourned, without question put.

[The following items were passed in committee of supply this day (for amendments, see text):]

DEPARTMENT OF NATIONAL DEFENCE

1. Departmental administration including authority, notwithstanding section 30 of the Financial Administration Act, and subject to allotment by the treasury board, for total commitments of $2,529,570,600 for the purposes of votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50, 55, 60 and 65 of this department regardless of the year in which such commitments will come in course of payment (of which it is estimated that $978,136,600 will come due for payment in future years) and authority to make recoverable advances under any of the said votes in respect of assistance rendered to the United Nations, any party of the North Atlantic Treaty Organization of any provincial or municipal government, $3,432,000.

Defence research and development—

Defence research board—

45. Operation and maintenance, $25,416,000.

50. Construction or acquisition of buildings, works, land and equipment, $5,501,000.

55. To foster defence research in Canadian industry by supporting selected defence applied research programs, on terms and conditions approved by the treasury board, $5,300,000.

57a. Research satellite program—To provide for the design and instrumentation of a series of satellites to carry out a scientific research program agreed upon jointly by the United States national aeronautical and space administration and the defence research board and, subject to allotment by the treasury board, to authorize for the purpose of this vote an increase of $5,129,500 in the amount included in vote 1 for total commitments (of which it is estimated that $4,302,500 will come due for payment in future years), $827,000.

60. Development, $15,000,000.

Mutual aid—

65. Contributions to infrastructure and the military costs of the North Atlantic Treaty Organization and the transfer of defence equipment and supplies and the provision of services and facilities for defence purposes in accordance with section 3 of the Defence Appropriation Act, 1950, not exceeding a total of $41,080,000 including the present value of defence equipment or supplies or the cost of services made available by the Canadian forces estimated in the amount of $8,980,000 and provided by appropriations for those forces in the current and former years in respect of which, notwithstanding subsection (3) of section 3 of the said act, no amount shall be charged to this appropriation or paid into a special account; provided by this vote, $32,100,000.

General services—

70. Grants to military associations, institutes and others as detailed in the estimates, $246,825.

75. Grants to the town of Oromocto, subject to the approval of treasury board, for municipal services including the maintenance and operation of schools and to promote the development of the town, $1,800,000.

Pensions and other benefits—

85. Civil pensions, as detailed in the estimates, $2,890.

90. To authorize in respect of members of the Royal Canadian Air Force on leave without pay and serving as instructors with civilian training organizations operating under the British commonwealth air training plan who were killed, payments to their dependents of amounts equal to the amounts such dependents would have received under the Pension Act, as amended had such service as instructors been military service in the armed forces of Canada, less the value of any benefits received by such dependents under insurance contracts which were effected on the lives of such members of the Royal Canadian Air Force by or at the expense of the civilian organization, $4,512.

92a. To deem, for the purposes of such statutes and regulations as the treasury board may specify, Ella May Haley to be the lawful widow of Douglas Willard Williams who, prior to his death on May 6, 1961, was a person employed in the public service, $1.

DEPARTMENT OF TRANSPORT

A—Department—

Railway and steamship services—

65. Construction or acquisition of auto-ferry vessels and equipment as listed in the details of the estimates, provided that treasury board may increase or decrease the amount within the vote to be expended upon individual listed projects, $1,375,000.

Pensions and other benefits—

120. Railway employees' provident fund—To supplement pension allowances under the Intercolonial and Prince Edward Island Railway Employees' Provident Fund Act so as to make the minimum allowance payable in the calendar year 1963 $30 per month instead of $20 per month as fixed by the said Act, $7,000.

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

Indian affairs branch—

Welfare—

65. Construction or acquisition of buildings, works, land and equipment including assistance to Indians and Indian bands for the construction or acquisition of housing and other buildings and related works, land and equipment, $1,984,000.

65a. Construction or acquisition of buildings, works, land and equipment, $160,000.

Economic Development—

70. Operation and maintenance including the grants and contributions detailed in the estimates and to authorize the Minister of Citizenship and Immigration to provide, in respect of Indian commercial activities, for the instruction and supervision of Indians, the furnishing of materials, the purchase of finished goods and, notwithstanding any other act, the sale of such finished goods, $1,395,000.

70a. Operation and maintenance, $200,000.

75. Construction or acquisition of buildings, works, land and equipment, $504,000.

Education—

80. Administration, operation and maintenance including authority to make recoverable advances in amounts not exceeding in the aggregate the total of all amounts to be contributed by the governments of provinces and territories and by local school boards under agreements entered into on terms approved by the governor in council with such governments and boards in respect of the education of non-Indian children in Indian schools, $24,202,200.

80a. Administration, operation and maintenance, $500,000.

Supply—Items Passed

85. Construction or acquisition of buildings, works, land and equipment including expenditures on works on other than federal property and authority to make recoverable advances in amounts not exceeding in the aggregate the total of all amounts to be contributed by the governments of provinces and territories and by local school boards under agreements entered into on terms approved by the governor in council with such governments and boards in respect of the education of non-Indian children in Indian schools, $5,670,000.

85a. Construction or acquisition of buildings, works, land and equipment, $122,000.

90. Grant to provide additional services to the Indians of British Columbia, $100,000.

Immigration branch—

30. Field and inspectional service, abroad, $2,206,000.

35. Trans-oceanic and inland transportation and other assistance for immigrants and settlers, subject to the approval of treasury board, including care en route and while awaiting employment; and payments to the provinces pursuant to agreements entered into, with the approval of the governor in council, in respect of expenses, incurred by the provinces for indigent immigrants, $1,650,000.

Indian affairs branch—

40. Administration, $994,800.

40a. Administration, $67,000.

Indian agencies—

45. Operation and maintenance including expenditures on works on other than federal property, $4,402,000.

50. Construction or acquisition of buildings, works, land and equipment including expenditures on works on other than federal property, $1,161,000.

Welfare—

60. Operation and maintenance including grants and contributions as detailed in the estimates and authority to make recoverable advances in amounts not exceeding in the aggregate the total of all amounts to be paid by the governments of provinces and territories under agreements entered into on terms approved by the governor in council with such governments in respect of social assistance to non-Indians residing on Indian reserves, $11,772,900.

Citizenship—

1. Departmental administration, $976,200.

5. Citizenship registration branch, $753,900.

10. Citizenship branch including grants and contributions for citizenship promotion, $828,000.

15. Grants to organizations as detailed in the estimates, $40,000.

Immigration branch—

20. Administration of the Immigration Act, $1,339,600.

25. Field and inspectional service, Canada, including $10,000 for grants to immigrant welfare organizations, $7,059,800.

NATIONAL RESEARCH COUNCIL, INCLUDING THE MEDICAL RESEARCH COUNCIL

10. Assistance towards research in industry, $1,900,000.

10a. Assistance towards research in industry, $500,000.

PUBLIC PRINTING AND STATIONERY

1. Departmental administration, $766,300.

5. Purchasing, stationery and stores, $1,247,900.

10. Distribution of official documents, $687,900.

10a. Distribution of official documents, $10,000.

15. Printing and binding official publications for sale and distribution to departments and the public, $1,152,600.

15a. To extend the purposes of vote 15, main estimates, 1963-64, to include the purchase for sale of such other publications and related material as the treasury board may approve, $1.

20. Printing of Canada Gazette, $182,000.

25. Printing and binding the annual statutes, $40,000.

30. Plant equipment and replacements, $84,200.

HOUSE OF COMMONS

Saturday, December 21, 1963

The house met at 10 a.m.

PRIVILEGE

MR. HOWARD—RESPONSIBILITY OF JUSTICE MINISTER UNDER BILL OF RIGHTS

Mr. Frank Howard (Skeena): Mr. Speaker, I have a question of privilege involving the duties and responsibilities of the Minister of Justice (Mr. Chevrier) and what I think is a violation of the responsibilities which he has. Section 3 of the Canadian Bill of Rights reads as follows:

The Minister of Justice shall—

So it is not discretionary; he must do this.

—in accordance with such regulations as may be prescribed by the governor in council, examine every proposed regulation submitted in draft form to the Clerk of the Privy Council pursuant to the Regulations Act and every bill introduced in or presented to the House of Commons, in order to ascertain whether any of the provisions thereof are inconsistent with the purposes and provisions of this part and he shall report any such inconsistency to the House of Commons at the first convenient opportunity.

Then there are regulations pursuant to that section which merely set out more intricate machinery as to how this should be done; it involves a certificate to be signed by the deputy minister, and so on, but I do not think that is germane to this point at the moment.

On June 7 of this year, more than six months ago, I introduced in this house Bill No. C-71. The bill was introduced and given first reading, and so far—and I checked this with the office of the Clerk of the House of Commons this morning at about twenty or twenty five minutes after nine o'clock—that bill has not been returned from the Department of Justice with any indication on it that it has been examined.

During the last session, in fact on February 1, I raised a similar question of privilege and founded upon it a motion, which is to be found at page 3329 of *Hansard* for February 1 last, that the standing committee on privileges and elections be authorized and instructed to inquire into and study the responsibilities attendant upon the Minister of Justice by virtue of section 3 of the Canadian Bill of Rights and whether those responsibilities were properly carried out with respect to Bill C-14, an act respecting Indians. No decision was taken on that motion. The matter was taken under advisement and the house prorogued, or parliament was dissolved, before an opportunity was accorded the Speaker to rule on it.

There are some interesting comments with respect to that question of privilege reported at page 3330 of *Hansard*. For example, the hon. member for Laurier (Mr. Chevrier) said:

Mr. Speaker, this appears to us to be a matter of pretty serious import—

Then there is an interjection by the present Prime Minister (Mr. Pearson), who said:

A breach of the law; that is all.

Then the hon. member for Laurier continued:

—more particularly because of the fact that the bill has been held up from October 1 until now, and my suggestion to you, sir, is that this matter be taken under advisement.

Then there is the following comment by the then hon. member for Essex East (Mr. Martin):

Particularly because of the violation of the act by the Minister of Justice.

Precisely the same situation as this arose with respect to Bill No. C-71, and this is even worse because it is a longer period of time, more than six and a half months.

Mr. Knowles: What did the Secretary of State have to say?

Mr. Howard: Unfortunately the Secretary of State was particularly silent when this matter was raised on February 1. I contend that the Minister of Justice has not fulfilled his obligation under the bill of rights with respect to Bill No. C-71. It is immaterial at this stage whether or not, as was done on June 7, the Speaker expresses any thought about the bill, because the measure has been introduced into the House of Commons and given first reading. I remind hon. members of the provisions of section 3 of the bill of rights where the expression is used: "and every bill introduced in, or presented to, the House of Commons", which makes it even broader.

I should like to move a motion founded on this question of privilege, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), namely:

That this house expresses its regret that the Minister of Justice has not fulfilled his obligation pursuant to the Canadian Bill of Rights.

Inquiries of the Ministry

Mr. Speaker: I have to decide whether or not there is a question of privilege. I should like to say in this connection first of all that it appears to me that this is rather in the nature of a grievance against the conduct of a minister with regard to action which has or has not been taken. If it is desired to condemn the action of the Minister of Justice it should be done in the form of a substantive motion requiring notice. In this connection I would refer the hon. member to Beauchesne, fourth edition, citation 127, paragraph 2, and to Bourinot at page 301.

In the circumstances it seems to me that the motion is in the nature of a grievance and not a prima facie case of privilege. Therefore I regret I cannot accept the motion.

Mr. Howard: I wonder if I could ask the unanimous consent of the house to my moving it as a substantive motion.

Some hon. Members: No.

Hon. Lionel Chevrier (Minister of Justice): I have not looked into this matter recently, although I did receive some representations from the officers of the department, and I wonder—

Mr. Speaker: Order. I am sorry to interrupt the Minister of Justice, but I have given a ruling and I suggest we now proceed with the business before the house.

FINANCE

GOVERNMENT POLICY WITH RESPECT TO FOREIGN INVESTMENT

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I address a direct question to the Minister of Finance with reference to what has been described by Mr. Kierans and others as the discriminatory policies directed against foreign investors. Is the minister in a position to advice or at least give some hope that these policies he brought into effect, which resulted, to use an expression in one editorial, in biting the hand that feeds Canada and the commission of a historic blunder on Canada's part, will be withdrawn?

Hon. Walter L. Gordon (Minister of Finance): No, Mr. Speaker, they will not be withdrawn.

GOVERNMENT PLANS WITH RESPECT TO BUDGET DEFICITS

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Minister of Finance. In view of the substantial budget deficits that were announced yesterday, will the minister have some better plans for us in the new session?

Hon. Walter L. Gordon (Minister of Finance): I am afraid I did not hear the question, Mr. Speaker.

Mr. Aiken: I asked the minister, in view of the substantial budget deficits that were announced yesterday, will he have some better plans for parliament in the new session?

POWER

COLUMBIA RIVER—INQUIRY AS TO PROGRESS OF NEGOTIATIONS

On the orders of the day:

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. Has he any report to make to the house respecting the negotiations which took place yesterday on the Columbia river treaty? Further, is he hopeful that this matter may be brought before parliament early in the next session?

Mr. Fisher: Order paper.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, my estimates will be up this morning, and perhaps at that time I could deal with my hon. friend's very appropriate question.

TRANSPORT

SOULANGES CANAL—INQUIRY AS TO SALE TO QUEBEC

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to ask the Minister of Transport a question. Could he tell the house what his department is going to do about the Soulanges canal?

[*Text*]

Hon. G. J. McIlraith (Minister of Transport): I suppose, Mr. Speaker, the government will continue to accept responsibility for the canal unless some other disposition is made of it.

Hon. Leon Balcer (Three Rivers): Mr. Speaker, I wonder whether the Minister of Transport can tell us if he has been officially notified by the government of the province of Quebec that the province is refusing to buy the Soulanges canal for the sum of $1, as it had agreed a few years ago.

Mr. McIlraith: Yes, Mr. Speaker.

SUGAR

INQUIRY AS TO NEGOTIATIONS RESPECTING BULK PURCHASES

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, on November 12 the Minister of Trade and Commerce indicated that his department had opened negotiations with sugar exporting countries with a view to ascertaining whether some bulk purchase arrangement could be made. I would like to ask the minister what progress is being made in these negotiations, and how soon he expects to be able to announce that a bulk purchase arrangement has been entered into by Canada.

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, there have been fairly lengthy negotiations with various groups of producers. So far we have not felt that any of the arrangements that have been proposed would be in the interests of Canada. However, we are continuing these discussions, and if we can reach a satisfactory conclusion we shall do so, of course, and announce it in due course.

INQUIRIES FOR RETURNS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Secretary of State. Before this day is over or before this session ends will he see whether certain returns can be brought down? I refer in the first place to a motion for papers, No. 105, passed on October 23. The last time I asked about this I was assured it would be brought down shortly, and a couple of weeks have gone by since. May I also draw his attention to a document which I asked the Prime Minister to table, or to add to this return. The reference is on page 5701 of *Hansard* for December 11. This all has to do with correspondence and briefs regarding the Canada pension plan. I realize that it is an order of the house and it will have to be brought down sooner or later even if this session ends, but I would hope these documents might be brought down before the end of the session.

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, this is not meant as criticism, but I regret that the hon. gentleman did not mention this to me yesterday; because with his well known solicitude for the public servants he will realize that it may be difficult today to get the necessary co-operation from departments that may be required to meet his requests expeditiously. But if I can find someone who is available I will be glad to get the papers that are already available, as probably some of them are, and have a partial return made at any rate. I have no idea what the status of the return is, but as far as it is possible on a Saturday I will be glad to look into it.

Mr. Knowles: May I just say to the Secretary of State that after his promise of a couple of weeks ago that this would be done I did not think it would be necessary to remind him.

Mr. Pickersgill: I have no doubt that after the hon. gentleman brought the matter up all the departments were duly alerted. However, he will appreciate that I do not devote much of my time personally to checking each day to see what progress has been made with these returns.

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Prime Minister. Would he inform the house if he is going to table the correspondence relating to the Columbia treaty in compliance with a motion for papers approved by this house on October 30, and if not why not?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the appropriate course will be taken. This return will be made in due course and the correspondence will be tabled.

NATIONAL DEFENCE

SASKATOON—REQUEST FOR RETENTION OF R.C.A.F. BAND

On the orders of the day:

Mr. E. Nasserden (Rosthern): I should like to direct a question to the Prime Minister. Can he indicate to the house what action, if any, is planned to keep No. 23 wing R.C.A.F. band in Saskatoon? I would remind the Prime Minister that this band is considered to be one of the best in Canada, and its loss would be a serious blow to the city of Saskatoon.

Right Hon. L. B. Pearson (Prime Minister): I shall be glad to look into the question of this band. I may not be able to reply before the house ends this session, but I will keep in touch with my hon. friend about it.

CANADIAN NATIONAL RAILWAYS

MATANE-STE. ANNE DES MONTS—STATUS OF PROJECTED LINE

On the orders of the day:

Hon. Theogene Ricard (St. Hyacinthe-Bagot): I should like to direct a question to the Minister of Transport. Will the minister tell the house if the government has abandoned the project to construct a railway between Matane and Ste. Anne des Monts?

Hon. G. J. McIlraith (Minister of Transport): No decision has been taken on that matter, and when a decision is taken it will be announced.

Mr. Ricard: May I ask the minister a supplementary question. Since the previous government had decided to construct such a railway, will the minister tell the house the reason why the construction has been delayed so long, especially when it means so much to this part of the country?

Mr. McIlraith: Yes. The reason for the delay is that the survey taken by the railway shows that the cost would be much higher than that indicated in the legislation. In addition, there were many indications of opposition in the area because the building of the railway would sever farm lands in the valley, which are rather long and narrow, in a way that would be very damaging. Then, too, the railway would be detached from any direct connection with the Canadian National Railways line which serves most of the area, and arrangements would have to be completed for running rights or some other rights over the intervening Gulf railway. There may be other matters which require consideration as well.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): This is an extraordinary statement on the part of the minister. Does he intend at the next session to introduce legislation to repeal the law passed by parliament under which this railway was to be built?

Mr. McIlraith: I simply do not know what the intention will be so far as legislation is concerned for the next parliament. This matter is now under consideration. It is quite an important matter, and it will require a decision in the light of all the circumstances. I tried to give the hon. member who asked the question the information as to the nature of the problem.

PUBLICATIONS

COMPETITION WITH CANADIAN EDITIONS OF U.S. MAGAZINES

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I understand the Prime Minister cannot give us a statement of government intentions with regard to publications, but could he at least give an indication what those certain considerations are that have arisen recently and have caused a delay in the decision?

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker. The additional factors are concerned with the desirability or otherwise of broadening the basis of any action that may have to be taken to include foreign control of Canadian newspapers and possibly foreign control of television and radio.

Mr. Fisher: May I ask a supplementary question; I know this is going into policy, but I think it would be very interesting and informative if we knew the answer. Does the Prime Minister at present say that such a move has to be made by means of legislation?

Mr. Pearson: Well, Mr. Speaker, we are very much aware, as I am sure my hon. friend is, of the far reaching importance and the seriousness of the question, and if possible action is to be extended into this field very careful consideration will have to be given as to how best it can be done.

INQUIRY OF THE MINISTRY

On the orders of the day:

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I should like to ask the Postmaster General a question. Could he tell us where he sends all the letters children write Santa Claus each year at this time?

[*Text*]

ATLANTIC DEVELOPMENT BOARD

INQUIRY AS TO APPOINTMENTS TO FILL PROSPECTIVE VACANCIES

On the orders of the day:

Mr. J. B. Stewart (Antigonish-Guysborough): Mr. Speaker, I wish to address a question to the Secretary of State. Can he say whether any decision has been reached as to appointments to be made to the Atlantic development board when the terms of the original appointees expire on January 24?

Hon. J. W. Pickersgill (Secretary of State): Yes, Mr. Speaker. An order in council was passed on December 17 reappointing Mr. Frank H. Sobey, Mr. Melvin J. McQuaid and Mr. Fred Ayre, who were appointed on the recommendation of the previous government in January of last year. The only member of the board who was appointed by the previous government and who is no longer on the board is Mr. Lalande, who regrettably had to resign for business reasons and who was replaced some months ago by Mr. Armand Cormier of Moncton. Mr. Cormier has also been reappointed, so, with that one exception, the board will continue in exactly the same form as it was when the legislation was adopted by parliament. This, I might point out, is one of those examples of the partisanship of the present government.

[*Later:*]

Mr. Pickersgill: Mr. Speaker, I wonder whether I might be permitted to supplement the answer I gave to the hon. member for Antigonish-Guysborough by saying that Mr. McQuaid is a former Tory cabinet minister in Prince Edward Island.

PUBLIC SERVICE

SARNIA, ONT.—REPLACEMENT OF HARBOUR MASTER

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): That was an example of good judgment, but I am going to bring up a question that has to do with rank partisanship. It arises because of the last words of the Secretary of State; otherwise it would not have been presented.

Has the Minister of Transport received communications from Sarnia, Ontario, protesting against the removal of the local harbour master, W. Hillmer, who has received severance notice as of December 31; and is it correct that his replacement will be the campaign manager for the hon. member for Lambton West (Mr. Foy) in the last election?

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, I thank the Leader of the Opposition for having given me notice of this question.

Some hon. Members: Oh, oh.

Mr. McIlraith: In spite of the laughter that this has provoked, I must say I really appreciate his notice of a question for a change, because I do not get many notices of questions these days. In any event, dealing with the subject matter of the question, the gentleman he mentioned, Mr. Whitney Hillmer, came to retirement age on November 1 this year. He was continued in employment until the end of the year because it was thought unwise to terminate his employment during the shipping season, and the effort was made to have him finish his annual reports.

He has been replaced, but not by the gentleman named in the telegrams, which all seem to be the same and seem to have been inspired, as indicated in this morning's Toronto *Globe and Mail*, by Allan Fowler, president of the local Progressive Conservative association.

Some hon. Members: Oh, oh.

Mr. McIlraith: I might add that Mr. Whitney Hillmer was the campaign manager for our former colleague in the House of Commons from that area, Mr. Murphy. He is not being replaced by the gentleman mentioned in the telegram and mentioned, in the question of the right hon. Leader of the Opposition; but he has been replaced by Captain Alex McNeil.

Mr. Diefenbaker: Will the minister tell us something about Captain McNeil?

Mr. McIlraith: Yes, I can tell the right hon. gentleman something about Captain McNeil. He was born on August 25, 1912—

Some hon. Members: Oh, oh.

Mr. McIlraith: He had a high school education. He has four sons. He served from 1930 to 1939 with the Royal Canadian Mounted Police. From 1939 to 1945 he served with the Royal Canadian Navy. He had a rather distinguished record in the navy. From 1945 to 1952 he was in charge of Royal Canadian Mounted Police patrol craft on the Atlantic and the great lakes area. In 1952 he retired on Royal Canadian Mounted Police pension. From 1952 to 1962 he served as assistant plant protection supervisor, fire, safety, security and first aid department, for the Canadian Oil Company's refinery at Corunna, Ontario. In June, 1962 he left that position. He holds a master's home trade certificate. He holds a mate's coastwise certificate. He holds the Royal Canadian Navy watchkeeping certificate. He holds the Royal Canadian Mounted Police long service and good conduct medal.

Some hon. Members: Oh, oh.

Mr. McIlraith: He attended a fire course at the Ansul fire training school, Marionette, Wisconsin; a fire course at the Ontario fire college, Gravenhurst, and safety courses of the industrial accident prevention associations in Toronto.

Mr. Diefenbaker: Mr. Speaker, there is only one qualification that is not included, and that is "superb". But I do want to thank the minister. When I telephoned him this morning and asked whether he had any information on this and had he received a number of wires and complaints, he did not have any information. I brought it to his attention, and this shows how carefully he proceeds after a request is made.

Mr. McIlraith: I want to repeat, Mr. Speaker, that I meant it when I thanked the right hon. Leader of the Opposition.

Mr. H. A. Olson (Medicine Hat): On a point of order, Mr. Speaker, we agreed last night to start our sitting at ten o'clock this morning and it was also agreed that the orders of the day would be called after 30 minutes. That 30 minutes has now expired.

Mr. Speaker: I have to advise all hon. members that the 30 minute period will expire at 10.37.

Supply—Transport

HEALTH AND WELFARE

ROYAL COMMISSION—INQUIRY AS TO REPORT

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the right hon. Prime Minister and ask when he expects to get the report of the royal commission on medical care.

Right Hon. L. B. Pearson (Prime Minister): I am sorry that I cannot answer that question, Mr. Speaker. The last time it was asked I said that I hoped it would be in soon. I can only repeat that now. But I will make inquiries right away and get in touch with my hon. friend.

AIRPORTS

OTTAWA—REPORTED SALES OF AUTOMOBILES AT AVIATION MUSEUM

On the orders of the day:

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to ask the Acting Minister of Northern Affairs and National Resources what arrangements have been made at Uplands airport, at the civil aviation museum, that allow Percy Carriere to sell jeeps out of the museum?

Hon. W. M. Benidickson (Acting Minister of Northern Affairs and National Resources): Mr. Speaker, I will make inquiries and advise my hon. friend.

SUPPLY

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

DEPARTMENT OF TRANSPORT

145. Airports and other ground services—operation and maintenance, $22,532,100.

[*Translation*]

Mr. Gregoire: Mr. Chairman, I have but one comment to make on item 145, concerning airports. It has to do with restaurants. I understand those restaurants are leased to concessionaires who benefit from somewhat exclusive rental rates and take advantage of this to raise the price of the goods they sell at air terminals. For instance, cigarettes cost more there and that goes also for newspapers, chocolate, soft drinks and what have you.

I wonder if the Minister of Transport should not investigate that situation and see to it that the exclusive privileges granted to concessionaires in restaurants and other business establishments are not used to increase prices, thereby causing unwarranted inflation.

[*Text*]

The Chairman: Shall the vote carry?

[Mr. Speaker.]

[*Translation*]

Mr. Gregoire: Mr. Chairman, a few words only on item 145 before it is agreed to. I want to refer to parking lots at airports. We note that these lots are looked after by contractors. Could the minister tell me whether the leasing of these lots brings in a great deal of revenue to the Department of Transport and whether it would be a great loss for the department if these parking lots were made available free of charge to patrons of air lines, instead of being leased to contractors who, in turn, rent space on parking lots?

[*Text*]

Mr. McIlraith: Yes, Mr. Chairman, this brings in a great deal of revenue.

Item agreed to.

155. Construction or acquisition of buildings, works, land and equipment with respect to national airports (as determined by the Minister of Transport) and related facilities; contributions towards construction done by local or private authorities with respect to such airports, amounts to be paid in settlement of claims for compensation by persons whose property is injuriously affected by the operation of a zoning regulation made under authority of paragraph (j) of subsection (1) of section 4 of the Aeronautics Act and authority, notwithstanding section 30 of the Financial Administration Act, to make commitments for the current fiscal year not to exceed a total amount of $41,360,000, $38,477,000.

Mr. Knowles: Mr. Chairman, there is a brief comment I would like to make on item 155, which has to do with the construction or acquisition of buildings for airports under the Department of Transport. My brief reference is to the new airport at Winnipeg, which is indeed a tremendous improvement over the facilities we had there in former years. I regret to say, however, that there is one feature about this airport—as a result, I am told, of the practice of economy—which is unfortunate. I understand that the original plans called for tubes to be provided so that passengers would go from the second level directly out on to the aircraft, but somewhere along the line it was decided that these could not be afforded and they were not installed.

The lay-out of the airport is such that when passengers are going from the airport to the aircraft, or from the aircraft into the airport, both ways they have to go from ground level up, and then down. This is all right for some of us, but for older people, for women with children, for passengers carrying baggage, and so on, it seems rather unfortunate. I know that the first time I went home after the new airport was opened, I went along with the rest and found myself going up to the second level, and when I wanted to get my baggage I had to go down again. I thought I had missed a directional sign or something, but my inquiries revealed that this situation results from a decision taken, on the basis of

economy, not to have these special tubes to permit loading and unloading from the second level.

I can understand this bit of economy, and perhaps we should not get these tubes at Winnipeg for a while yet. But that is not the end of the story. In addition to that, escalators which were planned to operate both ways were altered so that they would go only one way. This means that passengers alighting from aircraft, although they start from ground level, have to walk up to the second floor and then go down to the ground level to get their baggage.

When departing, passengers have to do the same. I hope the department will take another look at this and realize that it is an unfortunate situation, and that if it is not possible to revert to the original plan to have loading from the second level, at least escalators should be installed so that people would not have to walk up a flight of stairs and then down again. I should like to hear from the minister whether consideration is being given to correcting this situation.

Mr. Lambert: Mr. Chairman, while on the subject of international airports I should like to point out to the hon. member for Winnipeg North Centre that the Edmonton building does not suffer from that problem because it is better designed. But one point I would make to the minister which affects all international terminals is that we have a singularly cold reception for people coming into the building off international flights. At European international airports there is a sign which says "Welcome" or "Bienvenue" to the particular country. Why can we not do that here in Canada? I have taken this matter up with the minister's departmental officials on previous occasions and I was told that this should be a local responsibility, that I was to see my local chamber of commerce. These buildings belong to the Department of Transport. Surely in these huge terminals in Edmonton, Winnipeg, Toronto and Montreal we should say "Welcome", even just to welcome Canadians back to their country.

Mr. Pearson: In both languages.

Mr. Lambert: Yes, obviously. At some terminals we might even go further. After all, here in Ottawa for a certain convenience we use a third language, Spanish.

Mr. McIlraith: Mr. Chairman, in answer to the last question I might say that this problem is usually looked after by the local boards of trade. I might inform my hon. friend from Edmonton West that in one area I could mention the local board of trade goes further and meets passengers with a serving of rum.

Mr. Nesbitt: Is the minister suggesting rye and ginger ale here?

Mr. McIlraith: However, I will take this point under consideration. With regard to the matter raised by the hon. member for Winnipeg North Centre, by reason of the earlier cut-back in expenditure in 1962 the installation of the escalators to which the hon. member referred was not proceeded with, but the building is so constructed that escalators can be put in, without requiring many structural changes. I hope that in due course as the situation improves the matter can be taken care of.

Mr. Knowles: May I ask whether "in due course" will be some time soon? In other words, are plans being made now to reconsider the installation of these escalators?

Mr. McIlraith: It depends on the house's treatment of the budget and the estimates, I suppose, but in any event the problem is one to which the department is very much alive. I have also given the matter some consideration myself and am looking forward to visiting the airport in a few days.

With regard to this criticism which has been made of the airport, it is a curious thing but after this rather costly, and I agree rather good, airport was opened it seemed that the criticism made of this matter was rather disproportionate. But in any event the matter is one of some concern, although I cannot give a commitment now as to what the estimates will be next year in this respect.

Mr. Knowles: I am glad to hear the minister will be coming to Winnipeg. If he will let us know when he is coming we will welcome him with a cup of tea.

Mr. Balcer: Mr. Chairman, I saw in the press not so long ago that the department intends to go ahead with rolling sidewalks at Montreal airport. I know that these rolling sidewalks were included in the original plans for the airport, but there again I am afraid they were the first victims of treasury board in the same way as were the escalators at Winnipeg.

I hope treasury board will revise this policy, because I do not think this sort of thing should be the first to be cut back in any plan for a new public building designed to handle a tremendous number of people boarding or being discharged from an aircraft and who may have parcels in their hands, children with them, and all that. I hope that in any new public building this policy of cutting back on elevators, escalators or rolling sidewalks will be revised. Montreal airport is probably the most beautiful air terminal in the world, yet people are still complaining

about the fact that distances between the planes and the public facilities are much too great.

Mr. Douglas: May I ask the minister whether he will give a reply to the question I asked him last night regarding Transair.

Mr. Pickersgill: We passed that item.

Mr. Douglas: But the minister has not yet replied. I was hoping that the minister would give a reply to this question.

Mr. McIlraith: Mr. Speaker, I should have replied but unfortunately the answer did not come in until after the house met this morning. The situation with Transair is that on part of the route the service in question has been suspended as of January 11. A hearing will take place before the air transport board to consider whether they should permit the air line to abandon this route, at which hearing there will be an opportunity for all interested parties to make representations. Notices of this hearing have been sent out in the usual way.

There is a real problem here, because the traffic load over one part of the route averages out at barely one passenger per trip. Obviously it is not possible to run an air line on that basis on that kind of route without some examination of the problem of how to meet the requirements of the communities involved, and meeting them adequately.

As the matter has not yet been dealt with by the air transport board it would be useless for me to speculate, and quite improper for me to do so, as to what their decision will be until persons making representations have had a full opportunity to do so at the hearing.

There was another part to the hon. member's question, if I remember correctly, concerning Trans-Canada Air Lines transfer of assets or equipment when they abandoned this route. I think I answered this question on July 15 last; there was also an order for return made as well.

Mr. Fisher: But there were no details given.

Mr. McIlraith: In any event, the essential point as I have indicated is that Trans-Canada Air Lines equipment is bought and sold in accordance with normal commercial practice. This matter was also before the committee, and I think the report will be found on page 56 and following. Information was sought at that time. I have not had an opportunity to look up the record and see precisely what information was given, but there was an opportunity to ask about it, and there is no information I can give beyond what was given at that point.

[Mr. Balcer.]

Mr. Douglas: I asked if the figures I gave last night were correct, namely that T.C.A. gave to Transair one Viscount, two DC-3's and half a million dollars worth of DC-3 parts for $1. The second question was, will T.C.A. recover any part of this if Transair, who have operated the route for less than a year, gives up the uneconomic part of the line?

Mr. McIlraith: The hon. member is really asking me to answer indirectly what I explained to him could not be answered directly.

Mr. Fisher: The minister has in effect told us we shall have to wait until the air transport board holds its hearings, and he says that is the fair thing to do. I suggest it is not the fair thing to leave this matter for the air transport board, because the board itself has already been involved in this whole matter and so has the minister. I am not saying it is the present minister, but some minister has been involved.

It is obvious to all of us who have followed the situation which led to Transair getting this route that at some stage there was a recommendation or intervention at the ministerial level. It was not a case of the air transport board making up its mind as between a couple of carriers. Somewhere there was ministerial intervention, and it was obvious why there had to be. A crown corporation, T.C.A., was involved, and there was an arrangement of some kind—I was about to say a deal, but that might have been invidious. This question of where Transair stands in relation to these routes and to T.C.A. is more than just a matter for the air transport board. There are others involved besides the public and the cities of western Canada. They are the competitors.

What did Mr. McGregor tell us at the committee hearings? He said T.C.A. tried to demonstrate as far as it could that it was impossible to make money on this southern line. Despite all the arguments which T.C.A. gave, Transair insisted that money could be made, and they went ahead. They got in in April, and now they are out. Given a situation of this kind, it is not good enough to say that a solution will come as a result of hearings to be held by the board. There is surely a need for ministerial action and explanation with regard to this matter. If this is not forthcoming, I have to feel that the minister is letting the air transport board carry responsibility for something with regard to which he himself should be reaching a decision.

Mr. Nesbitt: I should like to say a word or two on the decor of public airport buildings. I know that in the past such questions as these have usually been left to the architects

involved. But the costs are now beginning to run high. In Toronto airport $150,000 was paid, I believe, for artistic objects of, to say the least, a controversial nature, and I am wondering whether in future it might not be a good idea to have these things checked by a government committee, perhaps including somebody from the national gallery. I say this because $150,000 is a sizeable chunk of the taxpayers' money, especially when it comes to the purchase of objects which are highly controversial even in artistic circles. One was described by a prominent Toronto artist as resembling a lump of mud. I think a little greater care should be exercised, and it might be a good idea to select objects which made concessions, at least to some extent, to the taste of the general public. Art galleries are perhaps another thing, but in the public airports one has to use a little reason.

It has been the fashion in the last few years to have large quantities of tropical plants scattered about our airports. These plants have an unfortunate habit of not living very long, and they are expensive to replace. This increases the cost of maintenance. All this may seem trivial, but I suggest that those responsible for the interior decor of airports and other government buildings might take a second look at the use of enormous quantities of tropical plants and devise some suitable alternative which would have a greater degree of permanence. I suggest some direct control be exercised by the department.

Mr. Nielsen: There is one further matter I wish to raise with the minister. The Yukon legislative council communicated with the hon. gentleman or his officials requesting that a member of the Department of Transport should travel to the Yukon and discuss with the council the requirement for terminal buildings, emergency airstrips and all the facilities needed in the Yukon. I am informed that the department refused to acknowledge this request. A similar request to the Department of Labour was, I understand, no more successful; there was no reply.

It seems to me that when a request comes from such a body as the Yukon legislative council the courtesy of expert advice and assistance should be extended to them if they request it in order to obtain the efficient service which they feel is required in the way of improved airstrips and facilities throughout the region.

I showed the minister a telegram I received the other day concerning the positioning of the terminal building at Whitehorse. Apparently it is to be placed in such a position that a discontinuance of the cross strip, the east-west runway, will be required. Great concern is being expressed over this situation. I believe this question, along with others, could be solved if the minister would ask one of his officials to go and sit with the council as the council has requested.

Mr. Olson: I want to return to this question of Transair for a moment. Since the discussion has gone thus far, I think I should point out to the minister that there are many people along this southern prairie route who are deeply distressed because of the events which have taken place since last year. On December 11 of this year I put on the order paper a notice of motion for the production of papers asking for all correspondence between Transair and Trans-Canada Air Lines that would in fact reveal to members of the House of Commons what the arrangement or deal was.

I think the minister has taken the position that this is not public information but is an arrangement which was made between two companies. But as has been pointed out by hon. members just a few minutes ago, Transair knew very well when it undertook to provide this service that it was not going to pay, particularly on the basis they set it up. The results of the service for the few months they did carry it on substantiate that, of course, in that on one part of the run the number of passengers averaged .8 per trip. We do not disagree that this kind of service needs to be discontinued, but we are a little bit concerned about the position of competitors who may have been able to set up a service with schedules and so on that would have resulted in the service paying.

Transair also claims it lost a lot of money. No one can disagree with that if the figures they have given are true, and I am not disputing them. But we are going to pursue this matter in the next session because we want to know whether Trans-Canada did in fact transfer to Transair assets with a value in excess of the amount of money Transair lost. It may be a million dollars, it may be half a million dollars; apparently it is somewhere in that neighbourhood.

Transair operated this service for 117 days, I believe, and claim they lost up to $1,000 a day. If this is so it means that Transair got by way of assets from Trans-Canada Air Lines at least five or six times as much as Transair lost on the run. In my opinion, Mr. Chairman, this is wrong. I also believe that inasmuch as Trans-Canada Air Lines belongs to the people of Canada the House of Commons has a right to investigate this matter and also to have the answers from the minister; because it seems obvious to us that unless Transair knew in advance of the deal what assets Trans-Canada was prepared to transfer to

them for $1, they would never have undertaken to provide the service at all.

In spite of what the minister has said about not being able to get hold of the information that passed between Trans-Canada Air Lines and Transair, I believe that we as members of the house have a right to know if something like $300,000 to $500,000 in publicly owned assets were turned over to this corporation, which was then allowed to suspend the service.

The Chairman: The hon. member for Lapointe.

Mr. McIlraith: There are two points raised in the discussions, it seems to me—

The Chairman: Order. Perhaps we could allow the Minister of Transport to reply to the points raised by previous speakers, and then I will recognize the hon. member for Lapointe.

Mr. McIlraith: It seems to me that there are two points involved in the remarks of the hon. member for Medicine Hat and to some extent in the earlier remarks of the hon. member for Port Arthur. I believe the point having to do with routes is fully answered by the fact that a hearing is going to be held. I would want to check my information, but I believe that already two applications have been made to serve parts of this route.

This is the very thing that should be determined by the air transport board, because it is a matter of examining the areas requiring service to see how they can best be served and what is the best method of getting some kind of service that will be effective. Obviously, as I think the hon. member realizes, a basis of service cannot be provided with an average of less than one passenger per flight, as was the case between a couple of points on that route. As to that part of the matter, I think the answer is surely satisfactory.

Mr. Douglas: Before the minister leaves that point may I ask a question. Would the air transport board have any power to make Transair disgorge part of the planes and equipment it got to operate this route so they could be used to subsidize the successful applicant for the new franchise?

Mr. McIlraith: The question the transport board determined was whether or not they would permit them to cancel the service. As to the question put by the hon. member for Burnaby-Coquitlam, I would think the answer would be that this was a commercial transaction between two air lines and that the board would not have any jurisdiction to inquire into it. But if the hon. member will bear with me until I deal with the other part of the question raised by the other two members perhaps he will find his question sufficiently answered.

The transaction referred to was carried out under the former government before I had the responsibility of office. In the light of what has been said, in view of the motion for papers which was put on the order paper and possibly was withdrawn at my request—I do not know what became of it—and of the discussion that arose at that time, and in the light of repeated questions on this point by the hon. member for Port Arthur and the questions now raised by the hon. member for Burnaby-Coquitlam, I am quite content as soon as the house finishes to have a look at the whole transaction to see if there is any ground on which I can with propriety produce information that would satisfy hon. members and show exactly the details of the whole situation. I shall make such an examination particularly with a view to seeing whether any part of this transaction falls within the realm of the government's responsibility and if the information thereon may be produced. But I do not want to recede from the position that information as to ordinary commercial transactions between air companies may not be produced, because it will be recognized that if I did that we would get into very serious situations. I will look at the whole matter in the light of the questions yesterday and today.

Mr. Douglas: May I ask the minister another question before he sits down. I am not asking for details of the transaction between the two air companies, but I am asking the minister if Trans-Canada Air Lines, in giving Transair these planes and equipment, received any assurance that Transair would operate this route for any specific period of time.

Mr. McIlraith: Mr. Chairman, that is the very type of thing I have in mind. I want to examine the whole transaction in some detail, as is obviously required, and that is one of the many details that will have to be looked into. I must say I have not had any real opportunity to look at the matter at all in the past week since the matter was raised.

Mr. Olson: When the minister does come back to the house I would ask him to supply information so we will know the total fair value of all the planes and equipment involved and also the total loss of Transair while it operated the service, in order that we can make some comparisons and find out whether in fact they made a profit by losing money.

[*Translation*]

Mr. Gregoire: Mr. Chairman, I shall now turn to another matter with which the citizens of the Saguenay-Lake St. John area are very much concerned, the Bagotville airport.

Hon. members know that that airport is both a military and commercial airport. There have been accidents between T.C.A. aircraft and military aircraft using the landing strips there. The resulting danger makes the people in that area a little nervous, and they have requested for a long time a civil airport at St. Honore, near Chicoutimi, that is practically in the centre of the area.

I wonder whether the Minister of Transport contemplates setting up a civil airport at St. Honore.

Besides, the citizens of that area have been asking for some time for an air terminal in Bagotville, because there is, at present, a sort of building without any conveniences and with a waiting room totally out of date; it is necessary that conditions be improved. And, therefore, I ask the Minister of Transport (Mr. McIlraith) whether he could give us some information regarding the building of a new airport or a new terminal in the Saguenay-Lake St. John area.

[*Text*]

Mr. McIlraith: I do not have much information on the precise details of the new airport. There are no immediate plans for it. However, in so far as the building to which the hon. member refers is concerned, I recall signing a letter on that subject within the last week. It is involved in the future plans, but I have forgotten the precise dates and the actual timing.

Mr. Gregoire: Will we have this new building for the airport in Bagotville without too long a delay?

Mr. McIlraith: I cannot tell my hon. friend anything offhand because I do not have the file. It depends on the estimates program; however I did deal with the new building within the past week.

Mr. Scott: Will the minister give us an up to date report on the status of the Malton airport? What is the stage of construction, and what is the estimated date for its official opening? There is a great deal of interest in this matter in Toronto.

Mr. McIlraith: I think the best information I can give the hon. member is that the airport will come into operational use at 12.01 a.m. on January 12, and that the formal opening will take place on February 28. I do not know that there is much I can usefully add to that.

I might take advantage of the opportunity to reply to a question asked by the hon. member for Oxford. The answer is that the art selection is made by an art selection committee, one member of which is the head of the national gallery.

Mr. Leboe: I should like to take a couple of minutes of the committee's time on one or two subjects. We have ranged rather far and wide, Mr. Chairman, so I hope you will let me conclude my remarks without interruption. First of all I should like to thank the minister for his co-operative attitude in connection with the representations I have made to him. We appreciate that.

However, I am a little concerned about airport facilities, particularly at Quesnel. The last time I was at Quesnel I saw the strange sight of the ticket agent making out tickets on the baggage wagon on the airstrip. There is absolutely no place in the Quesnel airport for passengers who are getting on or off planes. If it happens to be raining they have to get into a taxi or go into one of the hangar sheds for private aircraft. It would seem to me that one of the problems Canadian Pacific Airlines have in operating out of Quesnel is the lack of airport facilities for passengers.

Another thing that concerns me is the situation when an air service fails and for some reason or other cannot meet its scheduled flights. There have been cases where such a carrier had landing rights in certain airports and refused landing rights to other carriers who were willing to provide the service. I have actually had experience with this situation, and I hope a closer check will be made in connection with this matter so that people who want to get from one place to another when the regular carrier is unable to fulfil its obligations will have the right to use another carrier which is willing to provide the service. This is most important in an area such as the Cariboo, where there are a lot of air minded people. As the minister knows there are many aircraft being used, both private and commercial, because this particular area lends itself very well to air transport.

I believe that at the moment the fares on Canadian Pacific Airlines in this area are too high, and therefore they are not getting the traffic that is available. If the fares were reduced by even a small amount I am sure the traffic would increase and these large aircraft they are using would be filled closer to capacity. Perhaps the minister could use his influence in that regard, and I hope consideration will be given to this point.

I think it has been demonstrated by Pacific Western Air Lines that what they call a bus service between Edmonton and Calgary is practical. I think an air bus service from Whitehorse or from Fort St. John, with a

reduced fare and no reservations but just picking up your tickets on the aircraft, could provide better service all around.

There is one other thing I should like to mention, but I hesitate to do so. I hope when the minister goes to Winnipeg he does not have to shave with an electric razor. The washroom in Winnipeg, which is as big as any office in this building, has no outlet in which to plug an electric razor. I looked all over this new airport to find a place to use an electric razor and finally wound up in the kitchen. I hope the minister will have better success in finding the outlet than I did.

[*Translation*]

Mr. Gregoire: Mr. Chairman, I have a last question to put to the Minister of Transport. In view of the scope afforded by this item, the last one on that subject, can the Minister of Transport tell us whether it is true that when the contract was passed between T.C.A. and Douglas Aircraft in the United States, it was agreed that the tail units of the DC-9s would be built in Toronto and that the overhaul and maintenance of these aircraft would also be done at the Toronto plant?

The Chairman: Order. It seems the the question of the hon. member for Lapointe is in no way related to item 155. However, if the minister is willing to answer, he is free to do so. But the hon. member for Lapointe—

Mr. Gregoire: Mr. Chairman, I believe we are still on item 145.

Mr. Lambert: No, we are now on item 155.

Mr. Gregoire: Mr. Chairman, I was under the impression that we were still considering item 145.

The Chairman: No, we are now on item 155.

Mr. Gregoire: Mr. Chairman, as soon as you called the first item, if you remember, I rose and—

Mr. Lambert: No, no, we are on item 155.

The Chairman: I must tell the hon. member for Lapointe that item 145 was passed by the committee and that we are now discussing item 155.

Mr. Gregoire: Mr. Chairman, something is wrong here. If the item was passed, an hon. member was on his feet then.

The Chairman: Order. The hon. member for Lapointe seems to forget that he has already spoken on item 145 which was passed later on.

Mr. Gregoire: Mr. Chairman, I do not know exactly what happened but there is a mistake. At any rate, I should like to have a reply to my question. I asked whether the contract for the overhaul and maintenance of the DC-9 has been awarded to de Havilland.

[*Text*]

Mr. McIlraith: The commercial contract is not before us, but in any event this question was answered in the committee, and it was proposed to do this work at the existing overhaul and maintenance base. Since that time another delegation has come with other ideas.

[*Translation*]

Mr. Gregoire: Mr. Chairman, I do not think this question has been settled and that the committee has received an answer to it. A rather important principle is involved, owing to the fact that Trans-Canada Air Lines equipped and organized a whole plant in Montreal for the general maintenance and repair of those aircraft. But now, because a contract was passed, Montreal is to be deprived once again of the general maintenance and repair of the DC-9.

I feel a very important matter of principle is involved here, especially in view of the fact that expenditures were incurred for the repair of those jet aircraft at the base in Montreal. Moreover, since the DC-9 is being bought, all those expenditures will again be incurred in Toronto for the maintenance and repair of that aircraft. Now, that means that Montreal loses not only the contract for manufacturing part of this DC-9 aircraft, but also the maintenance and repair contract.

[*Text*]

Mr. McIlraith: I am sorry to say the hon. member seems to have got a lot of very serious misinformation. Nothing is being taken away from Montreal, and that is the whole thing I am being attacked for these days. The overhaul for these aircraft has always been proposed for Montreal and there was no suggestion it be done in Toronto. As to the other part of the question, it has been stated in evidence many times that the Canadian share of the aircraft production is very high.

Mr. Gregoire: If I have been misinformed it was by a member of the cabinet, because on a motion for the production of documents the Minister of Industry said that the overhaul of these DC-9 aircraft would be done in Toronto, according to the contract between de Havilland and T.C.A. I would like to have the truth.

Mr. McIlraith: Perhaps I could give a short answer. The hon. member has misunderstood the whole matter as it affects overhaul and maintenance. The overhaul and maintenance by T.C.A. was proposed to be done in Montreal, subject only to the requests from other parts of the country that it be done

elsewhere. There has been no change in that whatsoever; but where the confusion is creeping in is that the hon. member is not aware of the nature of the work being done by the manufacturers of the aircraft at the de Havilland plant in Toronto. It is true that certain company work is being done which is an obligation on the manufacturing company in Toronto. He is confusing that work with the work of the air line that buys these aircraft.

Mr. Gregoire: The confusion is due to the fact that we were told by the Minister of Industry that these aircraft would be overhauled and repaired in Toronto, according to the contract. I have had previous experience of this kind, when the Department of National Defence bought Voodoo aircraft from the United States, and it was a condition of the contract that for two years all the parts for those aircraft would be repaired in the factory in the United States. If that is the case with the DC-9, then they will be repaired in Toronto.

Mr. McIlraith: It is quite clear now that the overhaul the hon. member is speaking of concerns that work which is an obligation on the manufacturer, and that will be done in the de Havilland plant. This is a very good contract for Canada, but it has nothing to do with the points raised about the overhaul and maintenance by T.C.A., which will be done in Montreal.

Mr. Nielsen: Will the minister assure me that he will send an official of his department to confer with the legislative council of the Yukon?

Mr. McIlraith: I am sorry the question did not get answered, but I think there is a little misunderstanding about the facts. The department always sends officials out, and I believe a letter was sent within the last week on this subject. It has gone to some inquiring person or agency, with a view to having the appropriate persons sent from the department.

Mr. Nielsen: I know the letter has gone out because I have a copy of it, but it said that the department would not send any one to confer with the government of the Yukon. I would like to have the minister's assurance that he will have one of the officials comply with the request of the council.

Mr. McIlraith: My understanding of the letter is quite different from that. I will look into the matter again, but I understand the letter first asked for certain types of information.

Mr. Nielsen: Will the minister send an official?

Mr. McIlraith: I will look into the whole matter.

Item agreed to.

165. Grants for the development of civil aviation in the amounts detailed in the estimates, $360,000.

Mr. More: I just want to bring to the minister's attention the problems of the association of Canadian soaring and gliding clubs. I spoke some two years ago about this, and I believe the association has been seeking some assistance and recognition from the government. I believe the matter would come under this estimate. I doubt if the minister would have any knowledge of it, but I can assure him I will be pressing it next session. Meantime I hope he will look at their representations.

Item agreed to.

205. Salaries and other expenses including the Canadian delegation to the international civil aviation organization, $622,400.

Mr. Barnett: I would like to ask the minister if he could tell us something about the new chairman of the air transport board. Not too long ago the Canada Gazette announced the appointment of Mr. F. T. Wood of the city of Montreal, Quebec, to be a member for a term of ten years. I do not suggest that the minister give us the date of his birthday, as he did earlier this morning with regard to another appointment, but I would be interested to know some of the qualifications of Mr. Wood for this appointment. Perhaps the minister could also give us an explanation of the resignation of the former chairman of the board and what changes in board policy, if any, may be anticipated as a result of the appointment of Mr. Wood as the new chairman.

Mr. McIlraith: Mr. Chairman, I cannot give a long answer since I have no notes. Mr. Wood has been in the transport business all his life. He was first a Canadian National Railways employee and later joined Trans-Canada Air Lines, and became one of its vice presidents. He has been president of the air industries and transport association and is still a member of that board. He has had a great deal of experience in dealing with the relationships of air lines in the international field; that is, with air organizations and the negotiating end of air operations, both nationally and internationally. I do not know that there is much more I can usefully add.

Mr. Barnett: Mr. Chairman, I would like to ask the minister, further, whether he can give any report on what consideration may be given to the suggestion that there be developed an arrangement of regional representation for the air transport board. I am wondering whether he may be willing to

consider the idea of setting up regional panels within the air transport board, which might involve some expansion of the membership of the board but on the other hand might enable the board to give more detailed consideration and attention to on the spot investigation of problems on a regional basis than has hitherto been the case.

Mr. McIlraith: Mr. Chairman, this question has received some consideration. I came to the conclusion that the best thing to do was continue with the three man board; that the way to meet the problem raised by he hon. member for Comox-Alberni is not by enlarging the board but by perfecting the board's hearings system, particularly with a view to regional hearings and that sort of thing. I think the hon. member will be interested to know that hearings will be taking place in his part of the country in the latter part of February.

Mr. Barnett: I have one other matter that I would like to raise in connection with the operations of the air transport board. It has to do in particular with its terms of reference as drafted under the Aeronautics Act. I was interested earlier in the session to note that the minister was introducing a bill to amend the Aeronautics Act; but I was rather disappointed, when the bill came before the house and we were acquainted with its terms, that it made no reference to the particular area of the act in which I had become interested and about which I must confess I have some concern.

I think this might be a very appropriate time for me to bring forward a suggestion for the consideration of the minister. I suggest there is to be an amendment to the act. If my understanding is correct, the present bill is not likely to be dealt with prior to the end of this session. In the interval of time which will elapse between the end of this session and the beginning of the next the minister might be willing to agree to some redrafting of the present bill which would include this point.

My concern arises out of the present terms of the act in respect to appeals to the minister from decisions of the air transport board. I have a file here on the subject of disagreement with certain decisions of the board. It contains copies of a large number of petitions addressed to the minister in connection with the ruling of the board contained in decision No. 1865. I am not going to attempt at this time to go all through this file in discussing this question with the minister, but I am sure he will recall something of its contents. I will say, Mr. Chairman, for the information of the committee, that I do not recall any single matter ever creating such a volume of communications from Comox-Alberni as did this particular decision of the air transport board. I think the committee will therefore readily understand my concern in the matter and my interest which led me to look at the Aeronautics Act in a way that I had not had occasion to do before.

The particular point about which I am quite concerned is this. As I understand the act, under section 15 (9) an air line which has made an application to the board for a certain form of licence has the right of appeal to the minister if it is dissatisfied with the decision of the board. But another air line which may consider itself adversely affected by the decision of the board, which air line was not an applicant, has not this right of appeal. Under the circumstances it would mean that in effect a decision of the board could put a competing air line out of business in favour of the applicant air line and they would have no right of appeal whatsoever. There was an attempt to appeal to the minister by one of the air lines involved in this situation. That appeal was disallowed by the minister on the technical ground that he had no jurisdiction, under the terms of the Aeronautics Act, to deal with their appeal.

This appears to me a rather inequitable state of affairs. I believe the Aeronautics Act should be amended in this connection so that any air line which considers that its vital interests have been adversely affected can have a review made of the matter. All air lines should be placed on an equal footing in this connection as far as the Aeronautics Act is concerned.

I am also rather concerned with the situation that arises under section 15 (10), which gives the air transport board the authority to alter or change or amend the conditions of the application in its original form. The result of the operation of this section is that when the board does use the authority—and I am given to understand that it is an authority which the board has rather seldom used—a form of licence can be granted which in effect is different from that which was notified to the interested parties prior to the hearings of the board.

I think the minister will recall that one or two of the air lines operating in my area felt themselves to be quite seriously aggrieved, and a great deal of the objection that arose on the part of the public and local organizations stemmed from the fact that they felt the board had made a decision with regard to which there had been no prior notice of hearings.

I would urge the minister to pay serious attention to these two subsections and consider an amendment to the Aeronautics Act

in this respect. I would certainly be interested to have some comment from the minister as to what consideration he is prepared to give to my argument, perhaps more particularly in respect of the question I have raised about the inequity of section 15 (9).

Mr. McIlraith: Mr. Chairman, I am familiar with the case the hon. member has raised and with the difficulty in the language used in the particular section to which he referred. I will have a look at his argument today to see how the problem can best be dealt with. 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 if, after examination, he should find it advisable to do so. However, I will look at this matter in light of his arguments this morning as well as in light of some other rather technical legal arguments which have been raised subsequent to the decision to which the hon. member refers.

Mr. Barnett: Mr. Chairman, I appreciate that this is a rather complicated matter and one of which I certainly do not claim to have any expert knowledge. But it seems to be that there is a prima facie case of inequity in the way the present clause 9 reads.

One other question I should like to take the time of the committee to ask the minister about is this. I wonder whether he could give a brief explanation of the reason for the recent amendment to the regulations as published in the Canada Gazette, part II, of December 11, 1963, in which subsection 1a of section 6 of the commercial air services regulations is revoked and a substitute regulation brought in which in effect eliminates class 4 group C fixed wing aircraft from the provisions of the former order. It now provides that:

> Notwithstanding subsection 1, applicants for licences to operate commercial air services in classes other than class 7 shall satisfy the board that the proposed commercial air services would be in the public interest.

I wonder whether the minister would explain the thinking behind the amendment of that regulation, which has changed the position as far as the class 4 licence lines are concerned.

Mr. McIlraith: This is the regulation which restores licensing of group C, class 4 and the procedures governing such licensing.

Item agreed to.

> *212.* Amount to be credited to the railway grade crossing fund, in addition to the amount to be credited to the fund under the Railway Act in the current fiscal year; and, notwithstanding section 30 of the Financial Administration Act, to authorize an increase to $24,067,000 in the commitments (in addition to any commitments in respect of which amounts are appropriated under this or any other act) that may be made in the current and subsequent fiscal years, $100,000.

Mr. Herridge: Mr. Chairman, what about item 210?

Mr. McIlraith: That was passed last July 26.

Mr. Herridge: Then I will take advantage of vote 212 to raise a matter that is of great importance to the people of southeastern British Columbia, and I make no apology for this final appeal because time is of the essence. The governor in council is required to make a decision by January 16 with respect to the termination of passenger service on the Kettle Valley railway. I have been asked to bring this matter to the attention of the committee by residents of Fernie, Kimberley, Nelson, Trail and Penticton. They want a spokesman in this house on this matter because they are very concerned about it.

For some years we have been suffering from a limited and split passenger service on this very important railway, a decision initiated in the first instance owing to supposed danger from bombing attacks by the Sons of Freedom. That matter has now been overcome so it is no longer a consideration.

Some time ago the Canadian Pacific Railway made application to the board of transport commissioners to discontinue this passenger service, and hearings were held in the district. Strong opposition was voiced to this step. The city of Fernie was represented as well as the Fernie chamber of commerce. So was the city of Cranbrook and the Cranbrook chamber of commerce; the brotherhood of locomotive engineers; the brotherhood of railroad trainmen; the city of Lethbridge; the village of Natal; the Nelson chamber of commerce and the city of Nelson; local 480 of the international union of mine, mill and smelter workers; Tye; and also the Kootenay lake bible camp and others.

I have sat here patiently waiting for an opportunity to express in as few words as possible the concern of the people in southeastern British Columbia over this problem. I have received telegrams from Nelson, Trail and Rossland, and I have handed them over to the minister. A good number of these municipalities and other organizations are sending petitions to the governor in council because of the changed circumstances.

Just to indicate the thinking of the people of the district I am going to read one petition sent by the Nelson chamber of commerce:

> Petition: We the Nelson chamber of commerce hereby humbly pray to appeal against the ruling

of the board of transport commissioners order authorizing the discontinuance of operation of passenger trains No. 45 and 46 between Lethbridge, Alberta and Spences Bridge, B.C.

The Canadian Pacific Railway has taken the necessary steps to discontinue the said passenger service effective date set for this area is January 16, 1964.

Throughout the time the board of transport commissioners were holding its hearing in this area there were misgivings on part of both the railway company and the public to be served as to the economic value of the passenger service.

In late October of this year the railway companies of Canada announced new reduced passenger rates for travel in Canada. On this basis we request a rehearing of this application of the board of transport commissioners. We feel that until the board have had the opportunity to assess the value of the new rates to the travelling public of this district the cancellation date of said passenger service is premature.

This petition is addressed to the governor general in council, Ottawa. This matter seriously concerns the people of this district, because our air service is sometimes limited in the winter by weather conditions. Our road service is also limited by road conditions, particularly over the summits. This railroad serves one of the great wealth producing areas of British Columbia, and the discontinuance of this passenger service will affect at least 100,000 people. In this area we have a great mining and smelting industry, a great forest industry, and other industries are being developed in the region. I raise the matter again, as I promised these various organizations and persons who have wired and written to me I would, on this last opportunity before the end of the session. I urge the minister to bring these representations to the attention of the governor in council and to give favourable consideration to the very reasonable request of a very reasonable group of people.

Mr. Byrne: Mr. Chairman, this matter raised by the hon. member for Kootenay West is of very great importance to the entire southeastern portion of British Columbia, as a matter of fact to the entire southern portion of the province outside of the lower mainland. The minister will tell the hon. member that I have brought this matter both to his attention and to that of the government on a number of occasions, and the minister has assured me that as soon as the session is over and the work load becomes a little less arduous he will be considering the question of the board's order to allow the C.P.R. to withdraw this service.

It might be well to mention here, Mr. Chairman, that one of the most lucrative subsidiaries of the Canada Pacific Railway, and I believe one of the subsidiaries that makes the greatest contribution to the dividends paid by the railway company, is itself located in this area. That is the huge smelter mentioned by the hon. member, the mines in Kimberley adjacent to Cranbrook and, of course, the vast fertilizer industry established by the same company in Trail.

Unquestionably this service is losing money for the railway company. The submission to the board indicated, I believe, that the company is losing some $500,000 as a result of so few passengers using the service. The service consists of Budd cars, units which can be operated relatively cheaply, yet the operation has been showing a deficit of $500,000 when all costs have been considered.

Should this service be discontinued $500,000 of the taxpayers' money would be saved. This is axiomatic when one considers that we are now subsidizing the railways to the extent of $70 million on a straight grant basis to provide additional revenue to the companies because they have not been allowed to increase their rates as permitted by the board. I suggest that the Department of Transport consider spending an equal amount of money in providing safe all weather airstrips which would enable us to have the benefit of a first class air service in that area at all times. The hon. member for Kootenay West has told the committee that the air service in this area is not dependable in the winter months and I think we can realize why, when we consider that the airport of which he was speaking is situated between two high mountain ranges. The hon. member for Yukon can talk about airstrips running east and west and the danger of having them obstructed by terminals. In the area of which I am speaking we have our strips running in one direction only because that is the only direction which they can run, in other words parallel to the mountain ranges.

There are these difficulties about providing a service, but I wish to say that Canadian Pacific has provided an excellent service having regard to all these circumstances. If Mr. McConachie were required to come before a house committee, as is Mr. McGregor of T.C.A., to report on the activities of his company I think we would find that this air route has been operating since 1946 and showing a deficit during all those years. The company is attempting to provide a good service, and I am sure if the department were to make better landing facilities available we would see a great improvement in the service during the winter months.

The railway service is an old and historic service and its discontinuance would represent a serious backward step. I ask the minister now publicly to give this matter serious consideration as soon as the house prorogues, sometime this afternoon.

Mr. Pickersgill: Not "dissolves".

Mr. Gundlock: I wish to add my support to the objection taken on behalf of the communities in southern Alberta to the proposed curtailment of air travel facilities. I think probably everything that can be said has been said, but I should like the minister to give us some assurance that this matter will be considered. It is a bad time of year to resort to bus travel over the mountains. Even if this proposal to abandon the route could be put off for two or three months, until spring, it would be a help. I strongly urge the minister to consider this matter in every light. It would be a good Christmas present for us if he would do so and reach a favourable decision.

Item agreed to.

Board of Transport Commissioners for Canada—

213a. To provide payments to companies subject to order number 96300, dated November 17, 1958, of the Board of Transport Commissioners for Canada of an aggregate amount of $20,000,000, in respect of the period April 1, 1963, to March 31, 1964, to be paid in instalments at such times as may be determined by the said board for the purpose of reimbursing the said companies for such diminution in their aggregate gross revenues during the said period as the opinion of the said board is attributable to such companies maintaining the rate level for freight traffic at an 8 per cent increase instead of 17 per cent as authorized by the said order; and to provide payments to the said companies of an aggregate amount in respect of the calendar year 1963 of $50,000,000 to be paid in instalments at such times and in accordance with such methods of allocation as may be determined by the said board for the maintenance by such companies of the rates of freight traffic at the said reduced level, $70,000,000.

[*Translation*]

Mr. Gregoire: Mr. Chairman, I should like to ask the Minister of Transport (Mr. McIlraith) a few questions with regard to vote 213a, which reads as follows:

Interim payments to companies as defined in the Freight Rates Reduction Act as compensation to such companies for the maintenance of their freight rates on freight traffic at reduced levels.

I also read on the detail of the same vote.

Appropriation not required for 1963-64.

Could the minister tell us whether this means that as of January 1, 1963, or at the beginning of the fiscal year 1963, such interim payments to companies under the Freight Rates Reduction Act are discontinued and will not be in effect as of this year?

[*Text*]

Mr. McIlraith: This is to provide the identical amounts which were provided last year. It has to do with adjustments which are made by carryover because of the different fiscal years.

[*Translation*]

Mr. Gregoire: Mr. Chairman, does this mean that those payments will not be made in 1963-64?

[*Text*]

Mr. McIlraith: No, they will be made.

[*Translation*]

Mr. Gregoire: Mr. Chairman, since that subsidy will be granted again, I wish to say a few words about it.

First, I want to point out to the house that those payments or subsidies are granted to all railways, which use them to reduce their freight rates. That being so, the railways are competing unfairly with the trucking companies because the federal government grants subsidies to the railways on a percentage of the cost of transport, whereas the truckers do not get the same advantages.

I wish to point out to the minister that the subsidies amounting to $50 million, which are given to the railways only and not to the air transport companies or the trucking companies, are taken out of the taxes paid by the people and the Canadian corporations.

Trucking companies and truckers pay taxes which are used to grant subsidies to railway companies, thus letting them compete with their own enterprises.

Mr. Chairman, you will agree with me that this does not make sense. Why tax private enterprise so as to make it possible for public enterprise to compete with it.

It should be noted that the C.N.R., for instance, does not pay any taxes; but it is the money collected from the truckers which will help the C.N.R. and the C.P.R. to compete with them in the transportation field.

I think that this is illogical, unfair and illegal competition on the part of a crown corporation and against private companies.

At the meeting of the sessional committee on railways, I asked the president of the Canadian National Railways, Mr. Donald Gordon, whether he would agree to the granting of this subsidy not only to the railways but to all freight carriers. The president of the Canadian National Railways replied that he would readily agree to the granting of these subsidies not only to the railways but to trucking companies as well.

It seems to me then that, if it were so, competition would be fair and that there would not be this attempt to drive the trucking industry to bankruptcy. That would be only fair for all transport companies, including trucking and air transport companies.

I wonder if the Minister of Transport (Mr. McIlraith) would agree with the trucking companies which made representations and with the president of the Canadian National Railways, so that those subsidies be granted not

only to the railways but to all carriers including trucking and air transport companies.

I ask the minister if he is prepared to change those payments in order to grant them to all transport companies operating in Canada.

[*Text*]

Mr. Leboe: Mr. Chairman, just before the minister rises to answer I should like to express my support of what the hon. member has said about this matter, because it seems to me that under the present set-up we are in fact using public funds to direct business to the railroads in a discriminatory manner, and we do not allow the same thing to happen with private firms. If we are going to have these subsidies I believe that the trucking firms should have an equal opportunity, so that at point of origin freight can be designated to go either by truck or rail. I certainly feel that a choice is not given shippers in this matter because of this situation.

The minister knows, of course, that the matter was discussed to quite an extent in the committee. When this question does come up for final consideration I hope we will put an end to this type of thing and bring things out into the open so that truckers can compete with the railways on a fair basis. As far as I am concerned the trucker is not given a fair shot at the business at all.

Mr. Nasserden: On this particular point I should like the minister to clear up a question in my mind. So far as the railways are concerned, do they receive this subsidy on any goods that they move by truck?

Mr. McIlraith: The answer to that question is no. The essential difference between the trucking industry and the railways has been completely missed in the discussion of this item. This item was provided for the railways by the former government because the railways were prevented from adjusting their freight rates. In order to compensate them for the arbitrary restriction of their right to adjust their freight rates, this payment was provided. I am somewhat amazed to hear hon. members who come from areas where great quantities of freight originate that require to be shipped by rail raising any question at all about this item.

In any event, the truckers are free to charge whatever rates they like, and so far the government has not seen fit to restrict the rates they can charge. The whole premise on which the argument of the hon. member for Lapointe was based disappears. The item is one that I hope will disappear in this form from the estimates. It really is an item that arises because of the delay in dealing with the railway legislation based upon the MacPherson royal commission report. I must say I am rather disappointed that there was no opportunity to deal with that legislation at this session, because it is a piece of legislation that I think is of vital significance and of some urgency to the country.

[*Translation*]

Mr. Gregoire: Mr. Chairman, if we ever heard a specious argument, it is the one that has just been advanced by the Minister of Transport, when he said that the government does not control trucking rates as it does for the railways.

It is obvious that the government, by trying to restrict freight rates, wanted to cope with a substantial increase in freight rates. But to correct one evil, it produced another one which it does not seem ready to remedy. To grant subsidies to railway companies in order to prevent an increase in their rates is like saying that since railway companies have now a given rate, trucking companies that want to remain competitive with them are compelled to maintain their own rates at a relatively low level.

It is obvious that the government does not and cannot control private trucking companies' rates. But if special subsidies are paid to the railways so that they can maintain their rates at a relatively low level, trucking companies have to do the same, and this represents an indirect way of controlling the rates of the said companies. However, as truckers do not get special subsidies from the government, they have to put up with losses if they want to maintain their rates at the same level as the railways'; and if their rates are higher than those of the railways, they are not competitive and the shippers use the railways. It is therefore by means of the government's subsidies that the railways enter into unfair competition with the trucking companies.

The government controls the trucking rates, if not directly, at least indirectly, as these rates are compulsory for the trucking companies that wish to remain competitive not only as regards the C.N.R. but railway companies operating in Canada.

That is why we suggest to the Minister of Transport that the legislation should be changed. As I said a moment ago, although the subsidies were granted to prevent an exorbitant increase in rates, I am afraid that by trying to cure one ill, the government has brought about another one: the unfair, illogical and illegal competition of railway companies against private trucking companies.

That is why I ask the minister to enlighten the house about the government plans on that point for the coming year. Is it the

minister's intention to put the railway companies on an equal footing with the trucking and air line companies? What are the solutions that he could propose before too long to solve that problem?

I would like to hear the answer of the Minister of Transport.

[*Text*]

Mr. Leboe: Before the minister speaks, if he does answer, I should like to say that I do not want to be misunderstood. The minister said he was surprised that the question was raised in connection with a possible reduction of freight rates to consumers. We are not against that, and we do not want to be misunderstood. What I am saying is that the shipper has no choice in placing an order because of the 9 per cent difference between the truckers' rate and the railway rate which results from this subsidy.

[*Translation*]

Mr. Gregoire: Mr. Chairman, I move, seconded by the hon. member for Megantic (Mr. Langlois):

That item 213a be not voted in its present form, but that it be granted for any type of transportation, of the shipper's choice.

[*Text*]

Mr. Pickersgill: I do not wish to raise any point of order, but I have grave doubts as to whether the amendment is in order. I think the simplest way to settle it would be to put the question on the amendment.

Mr. Knowles: Mr. Chairman, even though it is Saturday and we want to get through, let us not establish a precedent of that kind. If this amendment is allowed to be voted upon after a point of order is raised we could have all kinds of amendments on 500 different items.

Mr. Pickersgill: May I say that if the hon. member had listened carefully he would have heard me say that I was not raising a point of order.

Mr. Knowles: Then I do.

Mr. Gregoire: Then I withdraw my amendment, and I propose—

Mr. Lambert: No, the hon. member cannot withdraw without consent.

Mr. Pickersgill: Surely we are going to give consent if it is out of order.

Mr. Knowles: Since the point of order has been raised, I submit it is not possible to do anything to a money vote in committee of supply except to pass it, reduce it or one or two other things like that. One cannot change the destination or purpose of the amount. I have a good idea what the hon. member is going to do now. He is going to move that the vote be reduced. Let us not waste time with something that is completely out of order. Let the hon. member withdraw it.

Mr. Pickersgill: I wonder if I could save a little time for the committee by suggesting that there be unanimous consent to allowing the hon. member to withdraw his amendment.

The Deputy Chairman: Does the committee give unanimous consent to allowing the hon. member for Lapointe to withdraw his amendment?

Some hon. Members: Agreed.

Amendment withdrawn.

[*Translation*]

Mr. Gregoire: Mr. Chairman, I move, seconded by the hon. member for Megantic.

That vote No. 213a be reduced to $1.

[*Text*]

Mr. Knowles: That is in order.

Amendment (Mr. Gregoire) negatived: Yeas, 6; nays, 53.

[*Translation*]

Mr. Gregoire: Mr. Chairman, I have only one word to add on that matter. I must say that the truckers, not only in the province of Quebec but throughout Canada, requested many times that the subsidy legislation be amended. At the present time, there is no indication that will be done.

When we asked what were the plans of the Department of Transport to improve that legislation, we did not get any answer. The truckers told about their problems in detail. They even told us that each time a political party was out of office, it showed itself sympathetic to their problems and approved the plans and suggestions made by the truckers. But when that same political party comes to power, then it disregards the suggestions and recommendations made by the Canadian truckers association.

I think that today truckers are in a position to see how things stand. Since each member was free to vote, the truckers will be able to appreciate the sincerity of the members of the house.

[*Text*]

The Deputy Chairman: Shall the item carry?

Mr. Gregoire: On division, Mr. Chairman.

Item agreed to.

The Deputy Chairman: This completes the estimates of the Department of Transport.

Mr. McIlraith: I should like to thank all hon. members of the committee for their courtesy not only today but throughout the whole of this session. I should like to wish each hon. member and his family a very happy festive season.

Mr. Pickersgill: Before you call the next department, Mr. Chairman, there was an understanding last night that when we approached one o'clock we would decide whether it would be worth while sitting through the luncheon hour, if that would expedite the business of the committee and allow the staff to get home for the evening. It seems to me we have made the kind of progress which would suggest that if we had that hour during the day we might be able to get through well before six o'clock, and if it was understood there was general acceptance of that view we would sit right through. Instead of interrupting the estimates of the Secretary of State for External Affairs, who might at one o'clock be in one of his eloquent flights, I thought it would be preferable to make a decision on this point at this stage.

Mr. Lambert: That would be the most compelling reason to rise at one o'clock.

Mr. Knowles: I think we should all have some break for lunch.

Mr. Pickersgill: Then could we agree to break off at one o'clock, or pretty near one o'clock, and come back half an hour later?

Mr. Knowles: All right.

The Deputy Chairman: Is it agreed we break off at one o'clock and come back half an hour later?

Some hon. Members: Agreed.

DEPARTMENT OF EXTERNAL AFFAIRS

1. Department administration, $7,648,800.

The Deputy Chairman: Shall vote 1 carry?

Mr. Nesbitt: I realize that since these estimates were discussed on a previous occasion the Secretary of State for External Affairs has visited NATO headquarters; and while most of us realize that no great, momentous decisions were made at NATO, because of the newness of various heads of states for other reasons, nevertheless I wonder if he, in his customary genial manner, could attempt to give us some information on what went on at the NATO meeting. I would also like to have his comments, briefly, on the likelihood of Canada securing a seat on the security council of the United Nations.

This is a matter which I have raised on various occasions, and in the interval between the minister's attendance at the NATO meeting in Paris it has gained a great deal of prominence at the United Nations. As hon. members know, the Soviet union has made it quite clear the security council will not be expanded until such time as the People's Republic of China is given the Chinese seat. As a result the available non-permanent seats are going to have to be redistributed to provide for Asian and African representation.

In all likelihood the commonwealth seat will have to go, if it has not already gone. The other day the Prime Minister was a little clearer in the house on this question than the Secretary of State for External Affairs had been, but he pointed out—and I am fully aware of them—the difficulties which the Secretary of State for External Affairs has in this problem. There is no easy answer to it, but if the commonwealth seat goes at the next meeting of the general assembly and is filled by an Asian or African member, then Canada will be left with no place to go. In other words she will have no group to join in order to obtain a seat on the security council, and I think everybody would agree that would be a ridiculous situation in view of the work and the assistance which Canada has supplied to the United Nations.

There are two alternatives. Canada could go with the Latin American group or the west European group, but that would only give her a chance to secure a seat on the council every ten or 12 years, and this would not be very suitable. The other possibility, which I have mentioned on previous occasions and which I would like to draw to the minister's attention again, is that if the redistribution takes place a number of other countries will be in the same position as Canada, countries like Australia, New Zealand, Israel, Cyprus and perhaps the two West Indian countries, Jamaica and Trinidad. Although I hope every effort will be made to retain the commonwealth seat, possibly some arrangement could be made in the interim, until the security council is expanded, whereby the countries I have mentioned could form a group in order to obtain a one year seat on the security council. Canada, Australia and New Zealand are three charter members of the United Nations and have contributed to it in a great many ways. I have a feeling that if the minister went out and really tried to sell this proposition among the other countries in the United Nations he might have the same success he had in days gone by when he introduced the package deal providing membership for all the new countries in the United Nations.

I am concerned about Australia and New Zealand but more concerned about what will happen to Canada, because our role at the

United Nations has been such that I am sure nearly every member country would agree we are entitled to have an opportunity to serve on the security council and the other councils of the organization.

Mr. Gelber: Mr. Chairman, there was an ancient Greek philosopher called Heraclitus who said you cannot stand in the same stream twice; everything is in flux; everything is in change. I believe we should take a look at our attitude toward NATO, the commonwealth, the United Nations and at our associations with Britain and the United States, which are always in a state of change. Today our relationship with Britain has matured, but our association with the United States is under critical review. The emergence of our southern neighbour as the political leader of the free world, and the most powerful of all the world's economies, has placed special stresses on our thinking, for we have profited much in terms of our security and economic growth by the easy relationship which ensued between us for more than a century.

It is important to separate in our minds the problems which are disturbing us. The role of the United States as leader of the western alliance should not be confused with the question of United States capital investment in Canadian development. We can only welcome the profitable participation of friends in our economic growth. Our ability to provide solutions that meet our national needs and prove attractive to foreign investors is our task, not theirs.

Trade problems also influence our relationship with the United States. Here there is a closer association between political and economic policy, and the United States must follow policies of trade which will give strength to her leadership and not frustrate it.

The pull of the frontier endowed American life with a spirit of optimism and a faith in the invincibility of American power. Much of this democracy has given a special and attractive quality to American society. It has also had its shortcomings, and among these have been the inward-looking tendency of American public life, its messianism, its boundless optimism, its refusal to plan because the realization of the American dream was inevitable in any case.

The role of the United States as a world leader was thrust upon her. There was to be a rude awakening. Today we still live with the shock of Pearl Harbor. The United States has learned that it must play a large role and that the price of leadership is not always sweet. The American public has learned that to meet the challenges of the 1960's it does not possess resources without limit. The United States also needs allies, and it prizes them.

The death of John Kennedy removed a powerful leader who was not the product of a disenchantment with the American tradition, but the eloquent spokesman of a new and mature pragmatism that has been willing to accept the burdens of its role and looks to its allies to accept theirs. It would be unworthy for Canadians to be anti-American as it has been unworthy for Canadians to be anti-British or anti-French. The passions that were expressed about Britain between the two wars have subsided not only because Britain is different, but because we too have changed. But the lesson remains. As a member of a wider alliance we must press for what we think is right, while remaining loyal to our allies and associates.

John Kennedy was not a typical American in a society where the collective pressures to conform are so powerful. His love of learning for the sake of learning marked him as someone special. His refusal to bow to the orgy of sentimentalism that on occasion engulfs his people marked him as a strong individualist. His personal dignity and that of his wife have shown them as chief citizens who eschewed the popular humdrum. His belief in the equality of man before the law, as expressed by the highest tribunal in his land, will remain his finest hour as it is the blessing of the American commonwealth.

To play our part we must strengthen our own national life for the benefit of all Canadians. The economic growth of our country provides us the sinews for international policy. We must be wise, and we must have the wherewithal to underwrite our judgment. We must have amity. In our broad country there is scope for all who live here. If we are to be torn by a struggle between our two chief cultural groups, then we will have less to say, we will have less for each to do. A frantic dialogue can enervate our national being and frustrate the well-intentioned purposes of all. Abroad, we could only sink in the scale of those who are contributing to peace and well-being. The first test of our statesmanship is leadership at home. This means both national and provincial and in the area of all those voluntary groups which contribute so much to our national life.

In working for a world at peace we seek the extension of the rule of law. We were among the founding members of the United Nations and have joined each of its specialized agencies. Through the developing commonwealth and in association with our NATO

allies we are daily seeking to strengthen the forces of peace and to make more abundant the avenues of international well-being.

Canadians must be prepared to share office with more members in the committees of the United Nations and in its secretariat. Canada's influence now more especially will be related to the wisdom of its counsel and the strength of its national life at home. The shifting emphases in NATO reflect in part the recovery of Europe itself, which NATO was formed to protect. The underpinning of European peace was recognized as the special interest of all the partners, and the English speaking members made commitments stronger, more pervasive and automatic than ever before, which marked a turning point in the history of the west. To resist the encroachments of Soviet power was sworn on the headstone of Czech democracy.

The discomfitures in NATO arise not alone from jealousies over sovereign power, but the very sinews of national being are at stake in the problems of industrial production, of markets and the race for nuclear technology. These problems of Europe and the Atlantic community pose difficult challenges to American leadership of the west, to the European members themselves, and to countries like Canada which have an important interest and must have an opinion about these serious issues.

We all welcome the moves which the government has made to increase Canadian participation in programs of aid to underdeveloped countries. This was first marked by doubling the allotment to the special United Nations fund. In his recent statement the Secretary of State for External Affairs outlined government policy for an additional $70 million in the fiscal year 1964-65. These programs which assist the developing countries to help themselves are a growing aspect of our foreign policy. Foreign aid will remain a facet of our public life during the lifetime of all members of this house, and beyond. We must cast it in these terms, and international assistance will grow as an aspect of our national policy. It seems to me that we should continue to support all those multilateral programs which have grown under the aegis of the United Nations and have to their credit many brilliant accomplishments. The devotion and service of peoples from diverse backgrounds who have contributed in a spirit of dedication places us in their debt. Among these are many splendid Canadians.

While we view foreign aid as a permanent feature of our public life, we must plan our programs in terms of our over-all economic policies. Here is the union of the right and of national interest, and we must be ashamed of neither. Foreign aid, like all economic programs, must be viewed as part of our own economic growth and part of the important objective of full employment for Canadians. To further these aims and to give greater weight to foreign assistance programs, it seems to me that we are going to have to expand our bilateral programs. These provide the more likely avenues for a wide expansion of this special international activity.

There is another facet which we must not neglect. I mentioned the Canadians who have given service abroad. In most of the developing countries there is a lack of know-how. The skills we have, we can share. The programs of investing in the skills of our people should be related to needs both at home and abroad. Many Europeans have given this service when the flags of their motherlands flew over the lands of colonial peoples often rich in great traditions but poor in the techniques needed to help themselves. Canada should provide career opportunities for those who wish to serve abroad. It was suggested by the former secretary general of the United Nations, the late Dag Hammarskjold, that the United Nations itself should create such an international agency through which people of skill could be seconded to developing countries seeking to borrow special talents. The agency could provide the security and the career opportunities which a recipient country is unable to offer. Canada itself could start such a program through a special section of the civil service. Men and women specially recruited and trained could thus bring their talents to the international scene where such avenues are now provided in modest measure.

In a world of turmoil we are jealous of fundamental rights and liberties of all human beings. The United Nations, through its commission on human rights, has provided an important means for the discussion of these important issues. The position of Jewish people in the Soviet union is a case in point. This is one aspect of Stalin's policy which Khrushchev has not neglected, although the means are different. The Soviet union is based on the legal recognition of nationalities and, within the context of this law, Jews are designated as a nationality. Jews constitute slightly more than 1 per cent of the Soviet population and are eleventh among the nationalities. Thirty eight per cent live in the Russian republic, 37 per cent in the Ukraine and 7 per cent in white Russia. In a country where they have resided for over a thousand years they are looked upon as an alien group. Policy toward the Jews and Judaism has remained the same since 1948. The communist poet Yevtushenko asked why there was no monument to the thousands of Jews slaughtered by the nazis outside Kiev, at Babi

Yar. There is a strong tradition of anti-Semitism in Russia, in which the Soviet leaders have been raised. But there have also been other voices. No Hebrew bible has been published since 1917. Not a single Jewish religious book has appeared since 1920. Synagogues have been closed; the study of Hebrew forbidden; Jewish religious observances hounded and harried. This process has been stepped up since the middle of 1961. The public baking of matzah—unleavened bread—for the Passover has been forbidden since the spring of 1962.

Attacks on Jews and Judaism have been published in the communist press. Elderly religious Jews have their names listed in the press, together with the names of their children, stating public positions and places of work. This is to hold them up to ridicule and is effective social blackmail. The economic crimes which have led to public trials are almost unbelievable, and death has been the frequent verdict. That within the context of a communist society another economy exists is like Alice in Wonderland. This is not even state capitalism. Karl Marx said in his attack on the rise of capitalism in England that when they stopped burning witches they started hanging men for stealing horses. The progress from Stalin to Khrushchev may be mirrored here.

Edward Crankshaw of the London *Observer*, as printed in the *Globe and Mail* of Saturday, November 16, reports a trial where the accused "contrived to perfect a racket which diverted a great deal of the products of no less than 52 state-owned factories and a number of collective farms into their own pockets". One "had bribed his way into a political post which put him in charge of a 'psycho-neurological health centre' where a large number of patients were innocently engaged in occupational therapy. By bribery and blackmail on a majestic scale, he and" another "turned this modest outfit into a commercial underwear factory, fitting it out with the latest machines embezzled from state-owned enterprises, diverting wool—460 tons in all—from collective farms, sent out the manufactured articles to be finished at other state-owned factories, and privately selling the final products in markets and at railway stations".

Of course the accused were trapped because an accomplice, who sold his wife to one of the plotters, confessed to the police, who found under the floor boards of their house rubles valued at $300,000, and bullion in gold bars. The picture was perfect. The Soviet union confesses that within a communist society exists a highly organized economy of the demi-monde, equipped with everything, even gold bars. The Soviet union is loth to have meetings of the United Nations commission on human rights. Canada must be one of the guardians of this tribune of fundamental freedoms and ensure that it is not put aside.

The influence of Canada abroad can only be impaired by bitter struggles at home. Sparsely spread along the southern frontier of our great continental land mass, we have only emerged as a country of significance and a people of achievement because for two centuries we have lived and worked together on a basis of give and take. That tolerance is the mortar of our edifice. Should it not withstand the weathering of time, then surely what we have built will crumble.

To be a Canadian is to be proud of our achievement. Should we lose the sense of the worthwhileness of what we are doing we will never respect ourselves nor command the loyalty and allegiance of others with whom we are associated in the great tasks of building peace and well-being. We must stand for understanding both at home and abroad, and this we share with our friends and allies.

The eternal flame which was lit over the grave of Jack Kennedy in Arlington Park will pierce the darkness where prejudice abounds and provide a beacon to men who dream and struggle for freedom. This is something for us all.

Mr. Knowles: Mr. Chairman, I had the privilege, along with others, of being a member of the standing committee on external affairs, the sessions of which were very ably conducted by the hon. member for Leeds, assisted at times by the vice chairman, the hon. member for Queens. I am sure all of us who were members of that committee feel that even though it was late in starting—it had to meet at a time when there was competition for space, and so on—nevertheless its sessions were worth while, and we hope that at the next session this important committee will meet earlier.

It is not my intention to rehash any of the matters discussed by the committee on external affairs. Rather there are two subjects on which I wish to speak briefly. The first is one which has arisen since the committee held its sessions; the second is a matter part of which has just been referred to by the hon. member for York South. The reason I did not raise this before the committee is that the minister himself was not able to be there all the time, and the matter was such that I wanted to raise it when he was present.

The first matter, one which has come up since the sessions of the committee, is, I freely admit, a delicate one. Nevertheless I think it ought not to be delicate, and that the Secretary of State for External Affairs should

comment upon it. It came up yesterday or last night during discussion of the estimates of the Department of Transport. I think it was somewhat out of order at that point, but it is certainly in order now. It arises, at least as far as I am aware, from an article which appeared in the Winnipeg *Free Press* on Thursday of this week under the by-line of Victor Mackie. The headings are rather interesting. The article is headed "Diplomatic eyebrows up. Canada raps French critics. Federal government angered over embassy's too open pressing for Caravelle". I should like to read the first paragraph of Mr. Mackie's article which appears, as I say, in the Winnipeg *Free Press* of December 19, on page 1.

Activities of the French embassy in Ottawa during the period when the cabinet was considering Trans-Canada Air Lines' decision to purchase the DC-9 medium-range jet embarrassed members of the Canadian government, it was learned here today from informed sources.

The French government has been made aware of the embassy's unusual activities. It has been drawn to the French government's attention that their embassy in Canada appeared to capitalize on the delicate English-French situation within this country to promote the interests of the Caravelle.

I was quite interested in the comments made on this matter last night, and I recognize the motives behind those comments. I think it is pretty generally known that I am one of the strong advocates, of whom there are many of us in this house of all parties, of equal rights for the two main groups which make up this country of ours. But it seems to me we should not confuse the rights of the French language and the English language and the rights of the French culture and the English culture in Canada with an issue of this kind. It is my view that if it is true that the ambassador of a friendly country, the country of France, used his position in this country on behalf of a commercial outlet in his own country, and if he exploited a difficult situation which we had in this country, there is reason for these headlines; there is reason to believe that the federal government must at least have been embarrassed, if not angered, over what happened.

I express the hope that the minister, diplomatically but nevertheless clearly, will give us his view of this incident. At first when press reports appeared about this one wondered whether it was really true. Then reports seemed to mount. Yesterday morning there was a preview commentary on this matter over the C.B.C., although I think the speaker on that occasion did not refer to the embassy but to the French government participating in this matter. But last night the hon. member for Three Rivers, as far as he had knowledge of it, seemed to confirm that this actually took place and that the ambassador of France to this country did participate in the matter.

[Mr. Knowles.]

On occasion American officials in this country have done things which we did not like, and we have said so. I think we should continue to do so. Not long ago in a British Columbia election I think there was a complaint about a United States government representative in this country. I do not think our sensitivities on this question should keep us from bringing this incident out into the open too. I believe our diplomatic relations with friendly countries will be maintained in the way they ought to be maintained only if the proprieties of diplomatic relationships are respected.

I should like to hear from the Secretary of State for External Affairs on this matter. Does he have knowledge that these activities were carried on? Has the Canadian government made its views on this question known to the ambassador of France or, through our ambassador in Paris, to the French government? I noted what the Secretary of State said about the capacity of the Secretary of State for External Affairs for eloquent flights. However, even if he is to make an eloquent flight I hope he will not fail to speak to us diplomatically and calmly, but nevertheless clearly, on this issue.

It had been my intention a few minutes ago to make this small contribution to the debate and then to sit down and let the minister comment if he would, and then to rise later and raise the other issue. But because of the latter part of the remarks of the hon. member for York South I feel I should deal with this other question at this time. I for one was interested in the entire speech made by the hon. member for York South, even though it is the last day of the session, which is not usually a day when long speeches on philosophical and international issues are the order of the day. Nevertheless it was a good speech. I liked in particular his bringing out into the open another delicate question and one that concerns us, namely evidence of anti-Semitic practices in the Soviet union. With what the hon. member for York South said I am in complete agreement. I think in all parts of the house there is agreement with and sympathy for the point of view he expressed.

I only wish he had gone a little further, and that he had told us what the present government's position is on this matter. I am sure that as a member of this house he must know of documents which have been tabled. He must know about the one I have in mind, because he was here when I asked for it to be tabled. I refer to sessional paper No. 264, tabled on Wednesday, November 27, 1963. This document consists in the main of a communication addressed to the Secretary of State for External Affairs by the Canadian Jewish Congress over the signature of Mr.

Michael Garber, the president of the congress. In addition to that letter there is a copy of the reply which the Secretary of State for External Affairs wrote to Mr. Garber's letter. Mr. Garber's letter was written on October 8, 1963 and the reply was written under date of October 30.

Mr. Garber in his letter referred to a portion of a brief presented earlier to the Prime Minister on behalf of the Canadian Jewish Congress, and both that portion of the brief and Mr. Garber's letter referred to the very things about which the hon. member for York South has told us. In particular there was a specific reference to a rabbi in the Soviet union who was charged with certain alleged economic malpractices, and there was a possibility at that time that this rabbi would be sentenced to the death penalty for those alleged practices.

It is hard to believe that this kind of thing can happen in our modern world. When it happened some years ago in an other country our consciences were shocked. They were even more shocked when it was over and we were aware of the extent of it. I remember being in this house when we considered these matters and passed certain legislation concerning them. I remember when we considered the universal declaration of human rights and when we discussed a convention against genocide, and I felt that the house was resolving in its heart, man by man, that we would never again countenance anything of that sort no matter where it reared its head.

I think the letter of Mr. Garber was restrained and reasonable. In the main it asked two things. It asked that the government take the matter up with the Soviet union through diplomatic channels; and second, that it raise the subject of discrimination and anti-Semitism in the Soviet union in the third committee of the general assembly of the United Nations. I do not intend to take up the time of the committee by reading Mr. Garber's letter. I hope hon. members will take my word that it is a well composed document, restrained in its requests. I feel it should have been responded to in a positive way.

The Secretary of State for External Affairs, when he replied, expressed concern, sympathy and understanding. He went on to say he doubted whether there was any official program encouraging anti-Semitism in the Soviet union but, nevertheless, it existed. In fact he used language almost the same as that which the hon. member for York South used a few minutes ago about the way it had been going on for hundreds of years with some of it, which is there now, being residual from what had been there in the past. But when the Secretary of State for External Affairs got to the two specific requests that the matter be taken up with the government of the Soviet union and raised in the third committee of the general assembly, this is what he had to say. In a lengthy paragraph he referred to the fact that the creation of the state of Israel had heightened suspicion of the Jewish community in the Soviet union. Then he said:

> This suspicion continues, and it has been our policy, therefore, to avoid any action which would emphasize the Jews' foreign connections and confirm Soviet fears. We would be loath, therefore, to make representations directly from the Canadian government to the Soviet government on the rabbi's behalf as it would emphasize the foreign ties and might provoke a renewed drive against the Jews.

That is the response made to the specific request contained in the letter with regard to representations. As to the second request, that the subject be raised in the committee, I should like to read the following paragraph from the letter written by the Secretary of State for External Affairs:

> Although the third committee at the United Nations will not be discussing the question of religious intolerance in any detail this year, the Canadian representative will at some point be making a statement on human rights. If an appropriate occasion arises, it might be possible to make reference in a general way to religious persecution in the Soviet union, which is not directed only against those of the Jewish faith. For the reasons outlined above, however, I would prefer that strictures on the practice of the Jewish religion not be mentioned specifically.

I can only hope the hon. member for York South has not read this letter, because I am sure he would have been scandalized by it. Or perhaps he has read the letter and has decided to ignore it.

If these practices exist at all we should not be so unwilling to mention the question to a friendly nation, bearing in mind that we belong to a generation which has memories of what anti-Semitism did not only to millions of Jews but also to the hearts and souls of all of us. We should not be so unwilling to raise a question on the subject of human rights at the United Nations. I asked for this document to be tabled at a time when a delegation of Canadians was seeking to meet officials of the Soviet embassy here in Ottawa. I know the people who were planning to meet them, and I know that up until the day they were hoping to go they had been given no assurance that they would even be allowed in the embassy. But they were allowed in and they did have a discussion, and I suggest this emphasizes a point which Mr. Garber made in his letter to the minister, namely that the détente we seem to be enjoying at the moment is an occasion when it might be possible to discuss some of these things and get somewhere with them.

Like other members of this house I have had the opportunity of visiting Berlin recently. I remember, when I saw the wall while we were there in September, it looked like something which would never be breached. Today many thousands of West Berliners are at least getting a day in East Berlin. The impossible can happen. I plead with the Secretary of State for External Affairs not to treat this as a subject which should not be raised. I ask him to listen to the eloquent words which were uttered on this subject by the hon. member for York South. I ask him to reconsider the letter he wrote to the Canadian Jewish Congress. I ask that Canada carry forward the sense of resolution we had with regard to this question during the second world war and immediately after when we said, in our hearts if we did not say it openly, that we would never again keep quiet in the face of anti-Semitism anywhere in the world.

These are the two subjects I wished to raise. Neither of them was raised in the committee. I should like to hear from the minister, when we return after our half hour break. What does he think about these reports of the activities of the French embassy, and what has he to say about the government's responsibility to state Canada's position with regard to combating anti-Semitism anywhere in the world?

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 1.30 p.m.

Mr. Herridge: Mr. Chairman, I wish to say a few words on this item rather than wait for the particular item, because I suppose we will be in a greater rush than ever then. I should have liked to say something about external affairs in general but I realize that time is limited. I was a member of the committee, but being a member of other committees also I unfortunately was not able to attend many sessions. I hope that next year our committees will start early in the session so we will only have a third of them sitting at a time and can really do the work that is required.

I have been sitting here almost restlessly, Mr. Chairman, expecting a statement from the Secretary of State for External Affairs on the negotiations with respect to the Columbia, but I assume we will hear from him at great length when I have concluded. I am going to confine my few brief remarks to a particular aspect of this matter, because it does provide an opportunity to advance one argument which I trust will have some effect on what up to now appears to be the minister's impervious mind in this respect. I wish to refer to a motion I moved for the production of papers, and I really have a complaint here. On October 30 I moved, seconded by the hon. member for Port Arthur, and it was ordered:

> That there be laid before this house a copy of all correspondence and telegrams exchanged between the Prime Minister, the Secretary of State for External Affairs, the Minister of Northern Affairs and National Resources or their offices and any private citizen in Canada with respect to the Columbia river treaty since May 1, 1963.

I have risen on a few occasions, Mr. Chairman, to suggest that we were looking forward to the production of these papers. I mentioned it again today and the Prime Minister did not give a very satisfactory answer. I do hope these papers will be produced before this session ends, because they are interesting letters and there are a lot of people who are anxious to peruse them prior to the commencement of the new session. I do ask the Secretary of State for External Affairs to open his heart in this respect. I am told privately that the person who is really holding them up is the secretary of the privy council, Mr. Gordon Robertson. I am told he is primarily responsible for advising the minister not to release them.

Mr. Martin (Essex East): That is wholly inaccurate.

Mr. Herridge: I am glad to hear that, because I could not understand why that would be done. In any event, I do urge that these papers be produced before this session ends, which I trust will be by midnight today.

I rise particularly to bring to the minister's attention the concern of the governments of the prairie provinces, organizations in the prairie provinces and many individuals with regard to the protection of water resources that will be required for future development on the prairies. There is a great deal of concern in that respect. The western reclamation association had a meeting last year in Vernon, and against the protests of Hon. Ray Williston unanimously passed a resolution supporting General McNaughton's scheme on the Columbia because they know that in that scheme there would be provision for their water requirements.

In contrast to the attitude, as we understand it, of the government of Canada and the government of British Columbia, what do we find in the states to the south of British Columbia and Alberta? In that connection I want to quote briefly from an article in the *Christian Science Monitor* of December 7 last headed "Northwest Opposes Sharing of Water":

The Pacific northwest states of the Columbia basin—their future water supply more secure than that of any other region in the nation—will not gladly share that resource. Opposition has been general in Oregon, Washington and Idaho to a Los Angeles proposal that a 519 mile aqueduct be constructed to siphon off Pacific northwest water to the relief of parched southern California.

Consensus of official statements, newspaper editorials, and other expressions of opinion in the northwest has been: Let people come to the northwest if they want the northwest's prime resource—water.

What we say is, let people come to British Columbia if they want our power for industry. I mention that to indicate how concerned they are with preserving their water rights and not giving them away without certain requirements of the states in question being met. I urge that the government of Canada and the government of British Columbia look upon these water resources as resources that should be developed for the Canadian people first, and then let others have our surplus. We can treat these people with complete equity and fairness and protect our own interests at the same time.

On a number of occasions I have asked the minister questions in respect of article 13 of the Columbia river treaty. I have asked whether the consumptive requirements of the prairie provinces were protected under this article. On those occasions the minister has risen and given what I think it is fair to call very evasive answers. The minister must realize that the diversion of water from the Columbia into the prairie rivers must be accomplished by pumping; then there must be the production of electrical energy to recover the power lost in pumping, and then this water will flow through a number of plants on the rivers in Alberta and Saskatchewan. The minister replied in effect that the rights of the prairie provinces were protected in so far as consumptive requirements were concerned.

Mr. Martin (Essex East): No, so far as consumptive uses are concerned, which is quite different.

Mr. Herridge: The minister never gave me a direct answer in respect of the multiple use requirements, which is a different question. I should like to ask the minister three questions. They are as follows: in the event that 10 or 20 years from now it was decided to divert water from the Columbia into the Saskatchewan for consumptive and non-consumptive uses, and that this water was to flow through a series of hydro plants between the Rockies and its point of use in Saskatchewan or Manitoba and the surplus was to flow on to Hudson bay, is there anything in the Columbia treaty in its present form that could prevent it?

Has the government of Canada ascertained the views of the United States government on this matter, and are they the same as the views of the Canadian government?

If not, will the Canadian government ascertain the views of the United States government on this matter before the treaty is signed? I ask these questions because they are being asked by people in Saskatchewan and organizations that represent the persons interested in the consumptive use of water on the prairie provinces.

In conclusion I have one more question. In view of the written promise of the Prime Minister of Canada that a Liberal government would not make a decision with regard to the Columbia river treaty prior to the persons directly concerned being consulted, can the minister assure the house that this promise will be kept and no decision will be made until those persons interested have been consulted and their views heard?

[*Translation*]

Mr. Perron: Mr. Chairman, after listening carefully to the hon. member for Kootenay West (Mr. Herridge), who dealt with the question of diplomatic relations, I should like to say a few words on the occasion of the consideration of the estimates of the Secretary of State for External Affairs (Mr. Martin).

Since efforts have been made in these last few years, through the ecumenical council, to bring closer relations between representatives of the various religious denominations throughout the world, it seems advisable to mention here a request which was made on several occasions by Canadian organizations, in the province of Quebec as well as in the other provinces, to the effect that an ambassador should be appointed to facilitate relations with the Vatican and to interpret the various religious viewpoints in Canada.

In my opinion, it would be more than ever advisable, especially since it is endeavoured by all possible means to bring together the different religious faiths in the world in order to help solve the religious, political and economic problems throughout the world.

I should like to ask the Secretary of State for External Affairs this question. Does the Canadian government intend to take this opportunity to appoint in the near future an ambassador to the Vatican?

[*Text*]

Mr. Martin (Essex East): Mr. Chairman, I promised the other day, after returning from the NATO meeting, in answer to a question by the Leader of the Opposition, that on my estimates I would make a report on that meeting. The hon. member for Oxford has

renewed the request of the Leader of the Opposition, which I am very happy to fulfil at this time.

The ministerial meetings of NATO, are in camera. It is not possible to give a detailed account of the matters discussed or of the decisions reached. However, to the extent that it is possible to give an indication of our discussions, I may say that this particular meeting took place at the end of a rather unusual year in international affairs.

At the beginning of that year we had what the Soviet union foreign minister has called the Caribbean affair or the situation in Cuba, and the actions taken by the United States with regard to the installation on the island of Cuba of Soviet offensive nuclear weapons in October, 1962. Since that time other matters of interest have taken place. We have the partial nuclear test ban treaty which was agreed by the foreign ministers of the United States, the Soviet union and the United Kingdom in August. This partial test ban treaty has since been supported by 107 nations or more. Then there was the agreement between the United States and the Soviet union with regard to the banning of weapons of mass destruction in outer space.

These are matters of great significance in relation to the general problems that face us at the present time. Perhaps in themselves they do not represent the full achievement which is desirable, but certainly as demonstrations of the détente that exists they must not be discounted.

Advantage was taken at this meeting and against this background, to discuss the general state of east-west relations. It was well that this should be done, because at this meeting there were a number of new representatives of governments. Since the previous ministerial meeting there had come into office some new heads of government, including a new prime minister in the United Kingdom, a new chancellor in West Germany, a new president in the United States and a new prime minister in Italy. In addition to these heads of government there were at the NATO table a number of new foreign ministers, including of course the foreign secretary of the United Kingdom, Mr. Butler.

I took advantage of the meeting in Paris the other day to invite Mr. Butler, at some time convenient to him, to visit Canada. I hope this visit will take place in the relatively near future. I took advantage also of the presence of Mr. Saragat, a distinguished Italian statesman who has taken an active part in the politics of his country over a long period and who is now its foreign minister and vice premier, to ask him to come to Canada at his convenience.

We agreed at the ministerial meeting to take advantage of every opportunity to extend the area of agreement with the Soviet union. We were not all agreed as to the nature of the period of tranquillity which exists and as to whether it is in fact a détente. I am impressed by the suggestion that there is a difference between a détente and a state of actual peace; and bearing in mind that refinement it must be obvious that there is today a détente between east and west. We must take advantage of this to further reduce the risks of conflict between the Soviet union and the western nations.

Mr. Nesbitt: When the minister refers to a détente between the Soviet countries and the western countries does he mean that in the strictly military sense or in the political sense, in the broader meaning of the word, and also in the economic sense?

Mr. Martin (Essex East): I meant in the general relations which prevail between east and the west. Between the Soviet union on the one hand and the western world on the other, there is a disposition, we believe, to try to eliminate possibilities of conflict, particularly in this era of nuclear independence.

Mr. Nesbitt: The minister means military conflict?

Mr. Martin (Essex East): I hope my hon. friend will permit me to examine the nature of this situation as I see it. We are convinced that, for a number of reasons, the Soviet union is desirous of improving its relations with the western world, we in turn are anxious to make sure that there is proper reciprocity.

There are a number of reasons for the exisence of this détente. It is not necessary to traverse what I said when my estimates were introduced. We believe there are a number of contributing factors in this developing situation. I took occasion then to express the view that commercial, cultural and scientific contacts could be important in bringing about a further harmonization between east and west.

While the situation of détente exists, it is true that at the same time the major political problems that divide east and west remain unresolved. There is still a divided Germany. There is still a divided Berlin. There are the problems centered in Indo China, particularly in Viet Nam and in Laos, and the situation developing in Cambodia. There continue to be problems in the Middle East, and there are, of course, problems in the commonwealth country of Malaysia and the attitude toward that country adopted by Indonesia, notably by the president of Indonesia. So while on the one hand there

is this détente, the problems that divide east and west have yet to be resolved. There is therefore no justification for overstatement; nor is there any justification for failure to appreciate the extent to which progress is being made in relations between east and west.

The 18 nation disarmament committee, will be holding its session in Geneva on January 20. We at the North Atlantic Treaty Organization meeting gave consideration to some aspects of the problems that will arise at Geneva. There is a strong disposition to take advantage of the Geneva meeting to see if further agreement, even on a limited scale, might not be achieved on disarmament. I think it is wise to be realistic and to recognize the realities that may not make possible a wide area of agreement on disarmament at this time. I indicated that Canada would pursue its objectives, in concert with its NATO allies, trying to reach as wide a measure of agreement as possible on disarmament, taking advantage of the agreement that was reached in Moscow on the partial nuclear test ban treaty.

We will stress at the Geneva meeting, as I indicated at the Paris meeting, the importance we attach to the proposal for the establishment of control posts on each side of the iron curtain as a means of reducing the risks of surprise attack. This matter was given attention by ministers attending the NATO meeting, and between now and the disarmament meeting to be held in January, there will be further consideration of some practical aspects of the proposal for the establishment of control posts and inspection teams on both sides of the iron curtain.

I wish to say that there is no justification for the view, so widely stated in the newspapers, about the state of disunity in NATO. Each member of the organization took occasion at this last meeting to affirm his country's belief and confidence in the integrity and the purposes of the North Atlantic Treaty Organization. There were no exceptions to this reaffirmation of confidence in the purposes of the alliance.

There are differences, of course, as to method, but this is inevitable in any alliance that is predicated upon the membership of nation states that are free. But there can be no doubt that NATO represents a group of nations dedicated to the fundamental basis of the organization, which they recognize as an essential instrument for the preservation of peace, and for their defence in the light of the situation that prevails in the world at the present time.

I think I properly characterize this meeting by saying that the relative tranquillity that has existed in the world for the last 12 months, gave the foreign ministers in attendance an opportunity to carefully evaluate their relations with the east, with the Soviet union. This involved a consideration of commercial policies. It involved a consideration of the use and the terms of credit that should be extended to communist countries in trade in non-strategic goods. It also involved an appreciation of the results of some of the activities of the United Nations that are of concern to NATO.

I should like to tell the committee that there should not be any reserve in the minds of hon. members about this country's support for NATO or about the wide measure of support for the alliance by all the member states which constitute that organization.

Mr. Douglas: Mr. Chairman, I will not take much of the committee's time. I am sure all hon. members of the committee were interested in hearing the résumé given by the Secretary of State for External Affairs regarding the recent NATO meeting. I wanted to ask the minister just three brief questions. The first is with reference to the role of NATO in economic matters. The press reports certainly gave the impression that this was a lacklustre meeting of the NATO ministers, largely because, as the Secretary of State for External Affairs himself has said, we have reached a détente and the primary purpose on which NATO was predicated, is much less serious now than it has been for many years. This is the criticism that many of us raised at the time NATO was formed, that an organization that is built upon a negative, namely fear of military aggression and nothing else, is likely to lose its centripetal force when the threat of aggression diminishes.

This is why many of us argued so strongly at the time that article 2 of the treaty ought to be the important and the long range objective of NATO. I would predict that unless NATO is able to assume a more positive role, as the danger of military aggression relaxes NATO is very likely to disintegrate. I want to ask the minister whether the economic role which was envisaged for NATO is now going to be left entirely to O.E.C.D., or whether there were any discussions with a view to giving NATO some effective and positive economic role in world affairs.

The other question I want to ask the minister is with reference to the attitude of the NATO countries concerning the shipment of arms and military equipment to South Africa and to Portugal. I would like to have it clear as to Canada's position in this regard. What steps are we taking to make absolutely sure that no Canadian arms or military supplies are going to either South Africa or Portugal? Also, what member nations of NATO are

taking definite steps to see that armaments are not going to Portugal and South Africa? Would the minister tell us which nations have refused to place such an embargo on this type of shipments? I would appreciate it if we could get some information from the minister on those points, Mr. Chairman.

Mr. Martin (Essex East): Mr. Chairman, I have been asked a number of questions. First of all I should like to deal with the questions asked by the hon. member for Kootenay West with regard to the Columbia. In this connection I note the question put to me today on the orders of the day by the hon. member for Kootenay East as to the progress of the discussions on the Columbia river project, the meeting yesterday with the United States negotiators.

I believe that the discussions held yesterday advanced this project more than at any time since we began this series of negotiations. As a result of the progress made and the agreement reached, we are now in a position to put into documentary form material for consideration by our respective governments. This will be followed by a meeting to be held in Washington about January 9. I should like to say, Mr. Chairman, that at yesterday's meeting those of us who represented the Canadian position, the government of Canada and the province which is owner of the resource, maintained a joint position in our negotiations with the United States.

The Columbia river project is a very important one. It is one of the major projects that has been considered by any Canadian government. It is a matter of great importance not only to British Columbia but to Canada as a whole. It is a matter of great importance in the relations between the United States and Canada. I may assure the committee that in the negotiations the interests of this country are, of course, carefully observed.

My hon. friend asked me three questions. The three questions that he put to me today were contained in a letter dated December 16 which I received from the premier of Saskatchewan. I shall be replying to that letter in the course of the next few days.

On the first question, as to the situation 10 or 20 years from now with regard to the right of use of the waters of the Columbia for what my hon. friend called consumptive purposes, I can say—this is obviously a hypothetical question—that it will depend upon the situation at that time. But in the context of the question in the language used by the premier of Saskatchewan, the decision would have to rest in this instance with the government of British Columbia. This is obviously a matter on which only the owner of the resource could make a decision.

As to the question of diversion from the Columbia for purposes of irrigation, there is no doubt about the position under the treaty. My hon. friend said that when he asked this question some time ago, I was evasive. I do not think I was evasive in regard to this question. I was not able to give my hon. friend answers to all his questions, because most of them obviously had to do with matters that were then under negotiation. But on the question of interpretation of the treaty there has been no evasion. Article 13 (1) is clear. No loss of right to divert waters for irrigation purposes is contained in the treaty, because the expression "consumptive use" provides for irrigation. This right would be open to Canada in the future, if it were thought that this resource, the Columbia, was desired for irrigation purposes by any particular province in western Canada.

In confirmation of what I have just said there is the testimony of General John Itschner of the United States army corps of engineers before a committee of congress; it said in substance what I have just indicated, namely that neither country will be denied the right of diversion from the Columbia of water for irrigation purposes, which under the treaty are defined as consumptive use.

The hon. member for Burnaby-Coquitlam asked me about the economic aspects of NATO. Article 2 of the North Atlantic Treaty Organization provides for collaboration among the members of NATO along lines which would promote their mutual economic interests. As he knows, Canada was among those nations which have taken a strong position in urging action toward the implementation of article 2. However, the situation within recent years and more particularly since the establishment of the organization for economic co-operation and development, has considerably advanced.

It is not correct to say that within NATO itself there has been complete implementation of article 2, but some of the ancillary and auxiliary actions taken by members of NATO in the organization for economic co-operation and development go a long way to cover what has not been done under article 2. O.E.C.D. is an organization made up not only of members of NATO. It is made up not only of members of the European economic community and E.F.T.A., but includes two European nations which are not in either of these European eonomic groupings and, in addition, Japan, the United States and Canada. I attended the O.E.C.D. meeting, as my hon. friend knows, about a month ago, and from what I saw at that meeting and from

what I have been able to learn since taking on this particular ministerial responsibility I think that O.E.C.D. will very largely meet our demands for the kind of co-operation among NATO member states which has not been fully satisfied under article 2 of NATO.

In addition to O.E.C.D. there is the Kennedy round, the proposal for a 50 per cent linear tariff cut, an initiative which we have welcomed and which we regard as very important for international economic relations, both for the developing countries and for the developed nations.

In addition to this there are the GATT discussions, and the United Nations trade and development conference, which will be held in the spring and will be presided over by a very distinguished Latin American Dr. Prehisch, the former governor of the bank in the Argentine. This conference will not only provide the opportunity to consider the economic interests of countries in the O.E.C.D., but as well the relations between members of that group and the developing nations of the world. This will have a very important bearing on the whole question of external aid; because while we all support the principle of external aid on a bilateral basis, I think most of us recognize that to do something fundamental to help the developing countries will require some effort to touch their productive systems and to touch their whole economies. There is no avenue by which this can more effectively be accomplished than by the future trading patterns which are established between these countries and the developed countries of the world.

In answer to the second question of the hon. member for Burnaby-Coquitlam, may I say that Canada has acted on the decision of the security council with regard to the embargo on arms. The Canadian government, in answer to the note of the secretary general on August 19 pursuant to a decision of the United Nations security council, replied on October 21 in these words:

> It has for several years been the policy of the Canadian government not to permit the shipment of arms to South Africa which might be used for the enforcement of a policy of apartheid. Following the security council resolution the Canadian government has decided that it will not authorize the acceptance of any new orders from South Africa for items of military equipment, or permit the shipment of such equipment to South Africa.

A similar statement was made with regard to Portugal, the exception in the case of Portugal being confined to arms for use by Portugal in her capacity as a member of NATO. With regard to the use of arms to further her colonial policies there is a prohibition. The Canadian government informed the secretary general on October 18 that no military assistance has been given by Canada to Portugal since November, 1960; and with regard to sales on a commercial basis, it had been the policy of the Canadian government since 1960 not to permit the export to Portugal or to the territories under Portuguese administration of any arms or equipment which in the opinion of the Canadian authorities would be used for military purposes in Portuguese overseas territories. The Canadian government intends to continue this policy. I made a similar statement along these lines in this house on October 21.

Mr. Douglas: Before the minister leaves that point may I ask him this question. How is it possible to make sure that arms shipped to Portugal under NATO commitments are not transferred and used for colonial repression?

Mr. Martin (Essex East): It is a matter for each nation on its own responsibility. We have declared what we are doing. We can only assume that formal declarations of policy by other countries are being observed by those countries. It is the responsibility, I suppose, of the collective organizations concerned to see whether or not there is compliance by the various countries which have made replies to the requests of the secretary general.

Mr. Douglas: I do not know whether the minister has my point.

Mr. Martin (Essex East): With regard to the number of countries, I cannot tell my friend which countries of NATO have placed an embargo on arms for South Africa; I have not that information before me at the moment.

Mr. Douglas: I do not think the minister has the point I was putting to him a moment ago. I understood him to say that Canada had placed an embargo on the delivery of arms to Portugal or to any of her overseas territories which might be used for repressive measures, but that we still permit the shipment of arms to Portugal if they come within the category considered to be necessary for the fulfillment of that country's NATO commitments. I wonder how the government satisfies itself that arms going to Portugal to meet NATO commitments are not used for colonial repressive purposes. What criteria are used?

Mr. Martin (Essex East): We rely on our NATO partner, Portugal. They know the nature of the embargo. We have no reason to assert that they have not conformed to the requirements of Canadian government policy. If the situation were otherwise we would not hesitate to discuss the matter with the government of Portugal.

Mr. Herridge: Can the minister assure the house that obsolete or out of date weapons which are replaced by new weapons from Canada are not taken out of Portugal and used for colonial repression?

Mr. Martin (Essex East): I would prefer to answer that question by directing myself to what I should think would be a better form of question, I know of no reason for concluding that Portugal is acting contrary to the policy of the Canadian government in this matter.

Mr. Herridge: I take it that the minister cannot assure the house that obsolete weapons replaced by new weapons supplied by Canada are not being shipped to Portuguese possessions overseas for colonial repression.

Mr. Martin (Essex East): The hon. member looks at me with a delightful air of infallibility. I can only assure the committee that I know of no justification for the conclusion that Canadian government policy is not being observed by Portugal. This, surely is an answer which ought to satisfy the hon. member.

Mr. Nesbitt: The minister has been giving the committee his opinions about international affairs. He has talked about states of peace and detentes. I ask him again, referring to his use of the word "détente", whether he means to say that the Soviet union has placed an embargo on economic, ideological and revolutionary penetration in Latin America and other parts of the world.

Mr. Martin (Essex East): I thank the hon. member for repeating his question. It is true I did not fully understand its implications when it was first put. When I introduced my estimates I dealt with this matter. I said then that while I believe there is an improvement in east-west relations, this does not mean that the Soviet union has abandoned its ideological objectives either at home or abroad. There is serious difference between the Soviet union and the Chinese people's republic. However, this in turn should not lead Canada or any other western country to an unwarranted position as a result of the differences between these two giants of the communist world.

Mr. Dinsdale: I have one specific matter which I should like to bring to the attention of the minister. As he knows, the United Nations has been placing special emphasis on aid to underdeveloped countries; in fact I believe it was the late President Kennedy who in one of his early speeches to the United Nations assembly referred to the importance of dealing with this matter as quickly as possible. I believe that as a result a special designation was given to the programs he espoused, namely the United Nations development decade.

Canada has responded in this area during recent years, particularly under the leadership of the former minister for external affairs, Hon. Howard Green, who was a distinguished member of this house for so many years, and there have been some improvements in this regard. I do not wish to take up the time of the committee enumerating the schemes which were launched during the time of Hon. Howard Green. However, I cannot refrain from doing so. In 1960 the external aid office was established, and about the same time the basic aid to Colombo plan countries was increased from $34 million to $50 million. Unfortunately there was a temporary cutback in this figure following the exchange prices of a year ago. I am pleased to see that the amount of money involved in this cut has now been restored.

Then there was participation in the special fund of 1959, and there was also the program of aid to the West Indies started in 1958, which over a period of some five years has resulted in a contribution of some $10 million to those countries. Then there was the commonwealth scholarship and fellowship plan which was commenced in 1960, which amounts to $1 million a year and results in an average of 200 scholarships being made available each year. Then there was the other program which was launched in 1961, designed to assist the newly independent French speaking countries of Africa. It was an education assistance program and involved an annual expenditure of about $300,000 a year directed to 15 newly independent countries of Africa. Then in 1960, in the wake of the challenge presented by the late President Kennedy, Canada agreed to offer assistance known as the special commonwealth aid program to countries like Tanganyika, Ghana, the Congo, and so on. This amounted to a contribution of $10.5 million over a three year period. Then there was the launching of the export finance program in January, 1961, which I believe represented a step forward in this field. So, generally speaking, Canada has endeavoured to carry its load in this area of assistance.

There is, however, one item that I should like to bring to the minister's attention at this time, and it concerns the emergency assistance program which was made available to Hong Kong in 1962 and which amounted to about $485,000, consisting largely of a contribution of skim milk and canned meat products which were in surplus in Canada at that time. The minister knows that I have been pursuing this subject in the house since July 24 of this year. I have asked a series of questions and

the minister has constantly delayed giving specific replies. In the early stages of my questioning he seemed to suggest that he agreed there was a continuing state of emergency. We know the importance of Hong Kong as a bastion of the free world. The most recent statement the hon. gentleman made in this regard was to the effect that he would give me a complete and definitive report during the consideration of his estimates. I wonder if he is prepared now to do that.

Mr. Martin (Essex East): My hon. friend is quite correct. The fact is that there is no program of assistance to this area at the present time.

Mr. Dinsdale: My question is, will consideration be given to such a program? I am sure the minister is aware that Hong Kong suffered a disastrous drought last year which compounded the problems in that part of the world. It was my privilege to visit Hong Kong last May; and even though this country, being on the fringe of the Orient, is somewhat better off than other countries, it was quite obvious that there was a desperate need for assistance of this kind.

I was impressed too by the high regard in which Canada is held there, largely because of this important emergency food program and also because of the visit of the hon. member for Qu'Appelle to that country some two years ago, when he established very important personal relationships with the people there on the occasion of the first sale of wheat to communist China. I am sure that the friendly and cordial relations which were largely established by the hon. member for Qu'Appelle during his visit have made it possible to continue this important wheat market for western Canadian farmers.

I am sure the minister is aware that there is a real emergency there, and in this decade when we are reaching out in every possible and conceivable way to deal with these problems of extreme urgency I am sure he will agree that the problems of the have-not countries, representing 80 per cent of the world, where people are ill clothed and ill fed, is one with regard to which Canada should assist in every way possible. With our surplus skim milk and our surplus canned goods products, it seems to me this is an area where Canada could quite easily provide continuing assistance.

Mr. More: Mr. Chairman, I have one question for the minister, and if I put it now it may facilitate the individual votes in his department going through very quickly. Some years ago, primarily as a result of the activities of the Canadian NATO parliamentary group, I believe, an action committee was formed under the chairmanship of Mr. Van-Zeeland of Belgium to establish an Atlantic institute. That committee operated and eventually did establish the Atlantic institute which I believe now has offices in Paris. One of the distinguished members of the original action committee was the present Prime Minister of Canada. I am wondering what the attitude of the Canadian government is now toward the institute. Do they recognize it? There is no evidence in the estimates of any government support for the institute. What is the attitude toward this body now?

Mr. Martin (Essex East): Mr. Chairman, the government continues to have an interest in the Atlantic co-ordinating committee and makes a grant toward its operations. The grant is in the amount of $2,500. I have had suggestions recently from interested parties in this organization for an increase in the grant, particularly in view of the fact that the institute will be holding meetings in Canada some time in the month of September, 1964, I believe. Consideration is being given to this request.

We recognize that the Atlantic institute, itself and the co-ordinating committee, perform a useful assignment in educating and informing the public about NATO, in research into the various purposes and activities of NATO, and generally in promoting the solidarity of the people of the north Atlantic area. I assure my hon. friend that this matter is one which engages our interest and will continue to do so.

While I am on my feet perhaps I might supplement my answer to the hon. member for Burnaby-Coquitlam. We have not given any military assistance to Portugal since 1960. Assurances were requested from Portugal that it would not send Canadian NATO mutual aid arms or equipment to its overseas territories. From conversations I had in Paris the other day with the Portuguese foreign minister I have every reason to think that this is in fact being observed.

Mr. Knowles: Mr. Chairman, I have three questions. They are not related to each other, but it will save time if I put them all to the minister now and he can answer all three at once when he gets to his feet. First, what comment has he to make on the reports that the French embassy in Ottawa interfered in some way with the decision that Trans-Canada Air Lines recently had to make? Second, what comment has he to make on the letter which he wrote to the Canadian Jewish Congress in reply to the appeal made to him by that body? I am referring, of course, to the exchange of letters to which I referred before we broke for lunch. My third question relates to something in the future. It has

been indicated to us that the Prime Minister will be making a visit to Washington some time in January. Can the Secretary of State for External Affairs tell us if this has been made firm, and whether the agenda of that metting is something that can be given to us at this time?

Mr. Martin (Essex East): Mr. Chairman, with regard to the French embassy, I made a statement in the house the day before yesterday. I intimated that when I was in Paris on Monday and Tuesday of this week I called the Sud-Aviation Company of France and had what I would call satisfactory telephone conversation with regard to a situation which has reached proportions which should not affect good relations between France and Canada. I do not feel I can usefully add to what I said in the house the other day. I think my hon. friend will understand why I believe the question should be left at this point.

With regard to the matter of the Jewish congress letter, I share with my hon. friend, as every member of the house does, a dislike for any form of discrimination practised by any country toward minority groups. We have expressed our condemnation of apartheid in South Africa. The Prime Minister and I as Secretary of State for External Affairs, have in the United Nations, in this house and elsewhere expressed our concern about discrimination which is practised in many areas. Indeed, when I spoke on the question of apartheid in the United Nations I pointed out that it was against Canada's policy to expel any member from the United Nations because of such policies. One of the reasons I gave was that if we were to adopt this practice, we would have to direct our criticisms and take similar action against certain other member states in the United Nations.

The fact that anti-Semitism exists in the Soviet union today is condemned by us with as much vigour as by the hon. member, and I am sure he will agree. This question was dealt with not only in the correspondence between myself and Mr. Michael Garber, president of the Jewish congress; it was also dealt with on November 20 of this year when the Prime Minister made the following statement, as reported in *Hansard* at page 4957:

> I find it particularly unfortunate that any government should find it necessary to resort to those penalties for economic crimes which were abandoned in many countries of the world at least a century ago. Although the penalties have been levied against persons of various nationalities and faiths within the U.S.S.R., the disproportionate number of Jews given severe sentences may reflect the historical tradition of anti-Semitism which has prevailed among the population, even though there is no evidence to suggest a state program encouraging anti-Semitic tendencies.

[Mr. Knowles.]

Then on page 4958 the Prime Minister is reported as follows:

> —there is in the Soviet union a deep-seated suspicion of cosmopolitanism, that is a mistrust of elements in the population and particularly of minority and religious elements which the Soviet authorities fear might have international connections and loyalties which could conflict with their allegiance to the U.S.S.R. Because of this consideration, Mr. Speaker, the present government, as did the previous administration, wishes to avoid any official action which, by emphasizing the Soviet suspicion of the international affiliation of the Jews, might provoke further restrictions against the Jewish community in the U.S.S.R.

I appreciate the attitude my hon. friend took this morning. It is an understandable attitude. I, as foreign minister of Canada, in the light of the information at my disposal, in the light of all the circumstances, believe that the exercise of judgment in this matter which we have made is in the interests of the three million Jews in the Soviet union. However, I have noted what my hon. friend said today. The matter will be reviewed again. I may assure him that the course we have taken in this matter was not taken lightly, but was taken in the interests of the Jews in the Soviet union. Nothing would be gained by resorting to spectacular acts of condemnation or criticism which might have consequences perhaps affecting the welfare of the Jewish people who live within the precincts of the Soviet union.

My hon. friend asked me finally about the visit of the Prime Minister to Washington. It is now settled that the Prime Minister will visit President Johnson on January 22, following his visit to General de Gaulle on January 15, 16 and 17. When the Prime Minister was in Washington attending the funeral of the late President Kennedy he had a talk with the President of the United States. As I mentioned the other day in the house, our Prime Minister was the second head of government to be asked to meet with the new president on that memorable day following the tragic death of President Kennedy. I was present at the conversation, so I can attest to the importance which the new President attaches to the relationship of his country to Canada. It was clearly evident to me that the new President is anxious to establish with the present Prime Minister of Canada the closest relations such as those that existed between the Prime Minister and the late President Kennedy.

When the Prime Minister returned from Washington he wrote a personal note to the President of the United States, thanking him for the generous time given by the President on that busy day, almost the first day on which he assumed the great responsibilities that are now his. Since this note was written in the Prime Minister's own hand I do not

have a copy. It was a friendly note, thanking the President for the opportunity to meet him so early and extending to him on behalf of the government and the people of Canada assurances of friendly co-operation in meeting his heavy responsibilities.

I should think it would be desirable, and with the approval of the White House, I now place on the record the reply of the President of the United States. It is dated December 13, 1963 and reads as follows:

Dear Mr. Prime Minister:

I have been heartened by your letter of December 3. It has been a very great encouragement in these last hard weeks to have the sympathy and support of such a neighbour and leader as yourself. Even at the end of that longest of days, it was a help to have a chance to talk with you, and I now look forward with pleasure to the prospect of our meeting in the new year.

Relations between our two countries are so intimate, numerous and varied that for each of us the relationship is really unique. I fully agree with what you were the first to say—that the intimacy of our connection in no sense permits us to take our relations for granted. I have been close to a number of the specific questions which have been pursued with new understanding and energy on both sides since the meeting at Hyannis Port, and I can assure you again of my determination to keep our relations moving in the spirit which President Kennedy and you established then.

Both in this purpose and in wider problems of our common concern for peace, it is already a help to me to know that you and I can talk to each other frankly and work easily together. It is true that the burdens of this office are heavy, and its responsibilities not limited to the boundaries of this nation—and that makes it all the more important that the man who works here should have the help of friends like yourself.

This brings my warm thanks and the very best wishes of Mrs. Johnson and myself to Mrs. Pearson and you for Christmas and the new year.

I am sure, Mr. Chairman, that the committee will recognize the importance of the visit of the Prime Minister not only to France but to the United States on January 22. I had a discussion last Sunday with Mr. Rusk about this visit. It will be a working visit. The subjects under discussion will cover a wide area. It is of course not possible at this stage to talk about those. I thank my hon. friend for asking this question and giving me an opportunity to make this statement.

[*Translation*]

Mr. Perron: Mr. Chairman, as the minister seems ready to answer in great detail the questions which are being asked, I am going to remind him briefly of the one I asked a little while ago. Does the minister intend to appoint soon an ambassador to the Vatican?

Mr. Martin (Essex East): Mr. Chairman, the hon. member knows very well that when an announcement has to be made by the government, the occasion and the time for that announcement are its own choice.

[*Text*]

Mr. Nasserden: Could the minister tell us if any effort is being made at the United Nations to resolve the problems faced by Palestinian refugees in the Near East?

Mr. Martin (Essex East): My hon. friend has referred to efforts at the United Nations, and I assume he also means efforts elsewhere, on the part of Canada to try and help resolve the differences between certain countries in the Middle East. With regard to the United Nations, may I, first, say that I am very grateful to my parliamentary secretary, to the members of the Canadian delegation and to the observers from the House of Commons who attended the last general assembly, for the distinguished and valuable services they rendered to Canada at the general assembly.

We continue to harbour a sincere interest in trying to bring together the representatives of the United Arab Republic and Israel. This has been the object of Canadian policy for a long time. I can only say to my hon. friend that our efforts in this connection are continuing.

Mr. Nasserden: Could the minister tell us whether any progress is being made toward a permanent solution of this problem?

Mr. Martin (Essex East): I do not think I can add to what I have said.

Mr. Barnett: In his earlier remarks the minister made reference in summary form to a few of the situations in southeast Asia. I did not hear him make any reference to Malaysia and the situation which has arisen between that country and Indonesia, with the so-called confrontation by President Sukarno. What assurances of assistance or help has Canada given to Malaysia as a fellow member of the commonwealth?

Mr. Martin (Essex East): I am sure the committee generally would agree with me when I express the hope that there will be no deterioration in the situation which confronts the new Federation of Malaysia. It would be tragic if any initiative taken by any country in southeast Asia were to interfere with the development of the new federation. Malaysia, of course, is a member of the commonwealth. At the United Nations, commonwealth members had occasion to discuss Malaysia's problems and its present concerns vis-à-vis some of its neighbours. This matter is one that engages the interests of the commonwealth as a whole, particularly those of the United Kingdom, Australia and New Zealand; the problem is being carefully watched by members of the commonwealth, including Canada.

Item agreed to.

44a. Contribution to the Atlantic institute, $4,000.

Mr. More: I would like to ask the minister whether this vote is in addition to the $2,500 grant he referred to in reply to my earlier question. This is a vote for $4,000 for the Atlantic institute. Is this an additional grant?

Mr. Martin (Essex East): Consideration is being given to an addition. The money was provided in the supplementary estimates of 1963-64 in the amount that my hon. friend mentions, and consideration is being given to a request for further assistance, but no decision has been taken.

Item agreed to.

50. Salaries and expenses, $652,600.

Mr. Knowles: The minister was not able to be present in the committee on external affairs when we put the report together, but I am sure he has read it and found it a useful and interesting document. I would like to draw his attention to the fact that two main recommendations made by the committee related to external aid, and that increased money be found to recruit personnel for this important work. I would like to enlist the minister's support for these recommendations.

Mr. Macdonald: In connection with the external aid office, I would like to congratulate the minister for his interest in and support of the Canadian university service overseas, and to enjoin upon him that he continue his earnest efforts to soften the hearts of treasury board and get a grant for this very worth-while organization.

Item agreed to.

The Chairman: That completes the estimates of the Department of External Affairs.

Mr. Martin (Essex East): Mr. Chairman, if there is anyone who should extend Christmas greetings and wishes for a period of peace it is the foreign minister of the country, and this I do with many thanks to members of the committee.

LEGISLATION

1. Allowance in lieu of residence, $3,000.

Mr. Peters: Mr. Chairman, I had intended to go into this quite extensively, but I do not think the house is disposed that way so I will forgo my intention. However, we have done this a number of times. Legislation is always the last item, and I would like to say a few words on it because it is a very important field and we have not considered it extensively for some time. As I said the other night, when the Secretary of State felt I was only holding this up for one of my colleagues, that is not true. There is a decision to be reached in the matter of legislation. The Speaker of the house has this matter under consideration, and the report would indicate that there is an investigation contemplated that would allow the civil service commission to investigate it. The committee had this to say:

> Mr. Speaker has requested the organization division of the civil service commission to undertake a complete survey of the Speaker's establishment. This survey, which has been approved by the commissioners of internal economy, is now in progress—
>
> It is rather a study of the structural organization of the House of Commons staff to be followed by an examination of the work methods and procedures.

As I pointed out, we are running an establishment here equivalent to that run by a municipal government with a population of 5,000 to 10,000 people in the municipality. With the 1,000 or more employees we have in the house in various departments, it is an obvious fact that the Speaker and the internal economy commission cannot be expected to act as employer, supervisor and look after the other business that the Speaker obviously has to look after. It seems to me that we are operating under a very archaic system where we have the government itself, in the form of the internal economy commission—

An hon. Member: Infernal economy commission.

Mr. Peters: You can call it infernal, if you wish, because I am quite sure that some of the members of that commission have so much to do that they certainly have not much time to participate in this particular field. One of the problems that arises is the fact that many members of parliament have not really considered the establishment of the House of Commons and parliament hill at all. I have a summary of some of the legislation that affects the parliament buildings. I should like to table it, because I do not wish to take up the time of the committee by reading it. It was prepared by the law branch and refers to the title of the establishment of the House of Commons. I would like to table this document, Mr. Chairman, for insertion in *Hansard,* if there is no objection.

Some hon. Members: Agreed.

Mr. Lambert: By whom was this prepared, and under whose authority?

Mr. Peters: I said it was prepared by the law branch of the House of Commons. It may have been a former Speaker's authority. Well, I could read it, Mr. Chairman.

Some hon. Members: No.

Mr. Gregoire: He isn't the Speaker any more.

Mr. Peters: Is there any objection to that course being followed, Mr. Chairman?

Some hon. Members: No.

Mr. Peters: It is a history of how the property, particularly of how the House of Commons itself, has developed.

The Chairman: Order. Before the hon. member proceeds, perhaps the Chair could look at the document that is submitted. Is this to be inserted as part of the hon. member's speech, or attached as an appendix to *Hansard*?

Mr. Peters: As an appendix, Mr. Chairman.

Mr. Pickersgill: I think it would be perhaps less of a precedent if we had it printed as an appendix to *Hansard* rather than actually in the text, because putting it in the text creates a rather difficult problem.

The Chairman: That is the impression of the Chair. Is it agreed that the document which has just been submitted to the Chair shall be printed in today's *Hansard* as an appendix?

Some hon. Members: Agreed.

[*Editor's note: For documents referred to above, see appendix.*]

Mr. Peters: Hon. members will have an opportunity to see this and assess what the intention of parliament with regard to the establishment may be in the future. This affects, of course, some of the things I shall mention. I would be willing, if it were thought desirable, to table it as part of my remarks concerning parking facilities and other facilities in connection with the house. This document also deals with the R.C.M.P. services on the hill and some of the duties of the protective staff. The protective staff of the house has grown rapidly since its inception. It is a highly trained and, I think, a very satisfactory staff. It is now handling an immense number of tourists each year as well as the other duties that are allocated to that branch. They have now had added to their number a staff which is servicing the west block, and I suggest they should also have added a staff to handle the east block of the parliament buildings. This staff should be given a higher status than it now has. These officers are not allowed to make arrests. They are not given any authority and do not, of course, have to assume certain responsibilities that a normal police force is asked to assume. These officers should have a status equal to that of our federal police force, because they are a federal protective staff and should therefore have some of the protections that normal police forces enjoy.

I would suggest that a municipality having 72 constables and officers is a fairly large municipality and this requires the force to be given the same protection as a regular police force. There should be a system whereby grievances can be dealt with and which will deal with the relationships between the force and the body it serves. There have recently been difficulties in the force. These come to the attention of members of parliament, and it seems to me this is not a satisfactory manner in which to handle this problem. I will not go into the details of some of the things that have happened; but it seems to me this is not a good way of operating this force. I am only using it as one of the examples, because there are 15 or 20 departments of a similar nature. I suggest that it may be necessary to bring them under the civil service, as is the case with the other branches, or it may be necessary to organize them into a union and allow them to operate within a union structure.

If it is decided that this problem can be settled in this manner, I personally will be quite happy to act as their agent on a temporary basis until they are organized. I would ask one of the unions of this country for the right to act as their agent, and organize them. I would be happy to do that early in the next session. This of course would create certain problems which I think should be discussed before this is done, because I can see some difficulty in my position, dealing with agents of the crown and applying to the federal labour board for certification. However, I think the problems involved are sufficiently great that if we cannot arrive at a more satisfactory solution I will attempt to do this early in the next session.

There are many other problems. One problem affects the Secretary of State and I think he has perhaps not paid too much attention to it. I refer to that hard working group of people in the house today, the 10 or 11 members of the translation bureau. This bureau comes under the jurisdiction of the Secretary of State. As I understand it, it is part of a larger bureau of translation, but most of them are employed here. I think it is true—and the Secretary of State certainly agrees with this, because he has said many times that it is very difficult to increase this particular staff—that they number—

Mr. Pickersgill: I wonder, Mr. Chairman, whether the hon. gentleman would allow me to interrupt him for one second to give him a piece of what I regard as rather good news. I was not able to go to treasury board this

week, but I have just been told that treasury board has approved an increase in pay for the translators, in the hope of making recruiting a bit easier.

Some hon. Members: Hear, hear.

Mr. Gregoire: How much will they receive under the new scale of salaries?

Mr. Pickersgill: I do not carry the figures in my head; I am not quite that bright.

Mr. Gregoire: I see that in this morning's edition of *Le Devoir* the Quebec civil service is asking for translators and offering salaries starting at $8,400. I should like to know whether this is the same initial salary for translators employed by the House of Commons.

Mr. Pickersgill: I will answer that question when the estimates for the civil service commission come up a little later in the afternoon.

Mr. Peters: We thank the Secretary of State for this information. I hope this goes through because I am suggesting that the translators connected with the House of Commons be transferred to the Speaker's department on the hill. I suggest that this is a very good reason for doing this. These translators are highly skilled and have a very difficult job to do. They operate in an international sphere and can transfer from here to many international agencies, including the United Nations. There are approved methods of operation and rates of pay. It is interesting to note that their approved rate of pay in international work is $75 a day—$50 if they work for government. They are supposed to translate for 15 minutes and have a break period; and the hours they translate per day are regulated for. The rates here, until the Secretary of State made his statement, ranged between $7,500 and $8,000 a year.

The problem is this. These ten or eleven people—I will leave out of my consideration the other matters referred to of which I understand Mr. Speaker is well aware—are handling the business of this house. I think it is about this number who handle the translation both in the House of Commons and the Senate. I understand that three out of the ten are usually employed in the Senate. In addition to this there are 12 House of Commons committees and 30 outside commitments. When an agency asks for the services of these translators, even though the House of Commons may be in session they are supplied. I would point out that for the federal-provincial conference on September 9 and 10 five of them were employed on duties outside the House of Commons. Between August 22 and 29 the internal statistical institute employed all ten of them. If you check the figures, Mr. Chairman, you will find that this has been a problem which has recently resulted in a translator having to go into a committee and translate for four hours, on occasion, without a break. It is bad enough sitting in some of these committees for four hours without having to perform the mental gymnastics of translating from one language to another simultaneously. We have got to the stage where we are not using trained people as technicians. Messengers are operating electrical controls. Caucus rooms are being used for committees without microphones being installed in the right place. The situation is most unsatisfactory. One of these messengers could electrocute himself by using equipment he does not understand. I think we have a responsibility to train them, or to do something with these people before some serious accident occurs through no fault of theirs.

I have used these two examples, but I could go right through the staff. I have been here for some time now and have met many people here. I have talked to quite a number and I think I am safe in saying that I have met some four or five hundred out of the 1,000 employed. I think that whoever does the job which has to be done would have to know all thousand of them, which would be a full-time occupation.

I suggest, and I suggest this in all sincerity, that we set up a committee of an interparliamentary nature to assist the internal economy commission. The hon. member for Skeena has a bill to change the structure of the internal economy commission but this has never received much support. I give the government credit on each of the occasions when something has been done. It usually involves money, and therefore there is a government responsibility at stake. But I do not think we should expect to limit that responsibility or to remove it because we are on the legislative side of parliament. I think representatives of the various parties could represent much better the problems existing on parliament hill than is the case today.

There is trouble, Mr. Chairman, in every branch of the House of Commons. We have on standing orders, for instance, a rule which states there should be bilingual law clerks. This has not been the case for some time and this has caused considerable difficulty. The reason that that regulation is on standing orders is because we in this country operate under two completely separate types of legal history, and those trained in the Napoleonic code are not necessarily capable of handling the common law practices enjoyed by many of our provinces. So that we have two distinct types of civil law in this country, as parliament long ago decided on

the matter. We have discussed this question previously, but unfortunately it was in the dying days of the last session, and it was decided that there was insufficient time to settle the matter and it should be discussed in some other way. But the problem is still with us. I suggest it is no one's fault except ours, and I think it is time we did something about it because we have gone beyond our rules in this connection.

There are many other spheres in which we need technical assistance in parliament today. We also need—and I think this is something we ought to look at very shortly—television of our proceedings in the House of Commons. It seems to me rather foolish to have television equipment kept outside in the hall with signs saying "Watch for cables". We spoil the appearance of the parliament buildings with the facilities which are provided. I think it would be wonderful to see television cameras all the time in our public galleries. I should like to see much of the work of parliament televised for the nation. But I think on occasions when parliament does need some coverage we should have proper facilities installed in this building so as to eliminate the temporary facilities provided under the present arrangements.

We have also asked for studios where interviews can be conducted. We also require facilities for radio broadcasting from the House of Commons. We have already mentioned the United Nations and their satisfactory set-up. Those who have attended the United Nations are well aware of it and I imagine are appreciative of it. We also know there should be some research in this regard, and while I am scared of too much research I think the research which would be available to members of parliament in a political sense would assist a member in the performance of his duties and would be of great value. I do not mean that this research should be available to cabinet ministers only. Every time we discuss estimates we see three or four highly trained and certainly highly qualified gentlemen advising the ministers, yet none of this advice is available by way of research to individual members.

Another problem is the translation of letters received from constituents. There is no service provided for this. Unfortunately I am not fluent in either one of the official languages; in one I am at a complete loss. It seems to me that, rather than making arrangements with messengers and other officials in the House of Commons, whom we have to trap in a corner and ask to translate a letter for us, when they are already busy on other duties, there should be a branch capable of doing translation of correspondence for the members.

The fact is that we come to this house early in the morning and leave it late at night. We are living here, so to speak, and outside this building we have only our sleeping quarters. This causes all types of problems. One of them arose recently in relation to refreshments. I received some credit for the discontinuance of this particular service, but I want to make it clear that I shared this with the Auditor General. I am not alone responsible; I am willing to take only my share of the responsibility. If these matters were discussed, we could arrive at a reasonable arrangement. The arrangement of hiding things for years in odd corners has proved unsatisfactory. I compliment the Sergeant-at-Arms and others who have taken some initiative on their own. I am sorry I may have had some interference in this initiative. I think the initiative itself was commendable and that the results they are trying to achieve are commendable. However, there has to be support, and a decision reached which is acceptable to everyone in regard to these matters. I believe this could be achieved.

We have been very hard on our Speakers in the last few years. I imagine that in no period of five or six years within the history of parliament have there been more calls on Speakers to make decisions and prepare judgments on particular matters, including subjects which are not normally considered to be part of a Speaker's responsibilities. I believe that for this reason the leader of the house should give us an assurance that a committee will be set up composed of representatives from each of the parties to sit down and discuss some of these problems. I think the time is ripe when this should happen and I may say I intend to write to a number of the international unions involved in regard to these people in the House of Commons. I may be able to secure credentials from many of them and if the problem is not solved in any other way we shall organize the staffs in the House of Commons. It will be a ridiculous situation if a member of parliament stands up and says to the house: Mr. Speaker, you have only until tomorrow night to settle this problem, otherwise there will be a sit-down in these different departments. Maybe this will not happen, but I am personally willing to try it.

I have been interested in this question for some time. In the dying days of parliament we are always making pious statements on this subject but nothing comes of them. I think the only way to bring it to a head is for somebody to do something drastic about it, and I am prepared, if necessary, to be the one who will do something of that nature.

An hon. Member: Resign.

Mr. Peters: If the other business becomes lucrative enough, I may be able to do just that. Without being facetious about this question, it seems to me that the Secretary of State has certainly shown a remarkable capacity for playing chess with the House of Commons. This is a facility which does not come to most people.

An hon. Member: We are all pawns.

Mr. Peters: No, I was not thinking in that sense. I used the expression I did in the sense that the hon. gentleman has been able to make arrangements, to trade and to do the other things necessary to accomplish his purpose. The same procedure could be followed with regard to the matters now before us, and then these problems would cease to exist. I believe that when a problem arises affecting the operations of this house, a problem for which we are, in total, responsible, we should be able to face it and arrive at a solution in a very short space of time.

There is only one other matter I should like to mention and it concerns the training of our staffs. We are seriously in need of assistance. I believe the suggestion made by the Speaker that the head officers at the table be sent to other countries to examine the situation in those countries is an admirable one. It could be a calamity every time we lost an officer of the house, because we have no training, anywhere in the country, which produces men able to fill these positions. This is true with regard to other branches for which a high degree of training is necessary and in preparation for which no satisfactory apprenticeship is possible in another related field. This has been illustrated in the last few weeks by the regrettable illness of one of the officers of the house who sits at the table. I suggest we should complete the complement of our staff and provide a certain amount of stand-by training for others, so that when a vacancy occurs we might be able to fill it with the most competent people available. We must remember that a great deal of the responsibility for the decorum of the house rests with these officers.

If the house would consider these matters and agree to some changes on the lines I have indicated I believe the work of parliament could be carried out more expeditiously and that some of the problems to which I have drawn attention would not occur. If we really think of it, is it not true that the bringing in of staff on a political basis, because a political government was in office, lowers the morale of the department concerned in each case where this happens, because they know that no matter what their competence may be, political considerations, the friends they have, are more important. This is a situation we do not wish to encourage. It is one we are not going to encourage and I am sure the Speaker will give full consideration to seeing that this problem is solved so that efficiency can remain at a high level.

Mr. Aiken: I should like to bring two matters to the attention of the committee. The first has to do with the report of the standing committee on debates which was filed yesterday morning, pointing out difficulties in connection with the *Hansard* staff. There are, in essence, two difficulties, one relating to a shortage of reporters and the other to the question of salaries. I would ask that the commissioners of internal economy take action upon these recommendations in the committee's report as quickly as possible.

The second item relates to parking. This is a general question, not a particular one. There is a considerable amount of irritation caused among members of the staff regarding persons who are not connected in any way with parliament but who have parking permits in and around the west block. These people are observed parking their cars and then going to departments downtown somewhere.

I have intended at different times to ask for a return of the individuals who do not have employment on parliament hill but who, nevertheless, have traditional parking permits here. I think this is a situation which can produce a good deal of irritation, particularly at a time when we are short of parking space. It may turn out that there is no one in this category, but I have made inquiries from time to time over the last five or six years and I am convinced there are people in no way connected with parliament who are in possession of parking permits. I should like very much to see this situation resolved, because it causes irritation among staff members, particularly those who live some miles from parliament hill and who have to drive to get here and then seek parking away down behind the Confederation building, though there might be other accommodation available. I should like to see something done about those people who must drive to their work, as opposed to those who do not need to. Those are the two items I should like to mention at this time. The hon. member for Timiskaming has said that there are difficulties in parliament and I am sure there are. But I want to pay a tribute particularly to the protective staff who give courteous consideration throughout the year to the members and to visitors, particularly in the very difficult summer months. I should also like to pay tribute to the excellent work of the supporting services that keep parliament in operation.

[*Translation*]

Mr. Gregoire: Mr. Chairman, I merely want to mention a few facts. For instance, section 4 of Bill No. C-91, which was passed at the end of July or at the beginning of August, reads as follows:

—there should be allowed to each member of the Senate and House of Commons such actual moving or transportation and travelling expenses between this place of residence or his constituency and Ottawa, and such actual telecommunication expenses incurred while in Ottawa, as each house may by order prescribe for its own members.

Mr. Chairman, as you know, like all hon. members, we constantly have to make phone calls and send telegrams to our ridings, especially on the occasion of winter works, when we must keep in touch with the secretaries and treasurers of municipalities, in order to be informed of any new development.

We note that this legislation was passed at the end of July and that up to now, at the end of December, nothing has been done along the lines I just indicated. We hope that the authorities concerned will be kind enough to take into consideration the fact that members of parliament were requested to pass this act—and it was passed by all—which says, in section 4, that telephone calls and telegrams made or sent to our constituencies, in the ordinary course of a member's business, are to be paid for by the government.

So I ask Mr. Speaker to see that this state of affairs is settled as soon as possible, or at least that we are told why it is not done.

I see that my friends on the Liberal side seem to approve this request, and I am sure all hon. members in this house will ask unanimously that section 4 of Bill No. C-91 which has been passed be put into effect.

We are now considering the Speaker's estimates. I think this is the only opportunity we have in the session to ask him questions. We are happy to do so but, we do not want to take undue advantage of it.

Certain decisions were taken during this session. We accept them and we do not intend to revive the discussions. However, I should like to remind the house of some events which have occurred since these decisions were taken, one of them being the official recognition or non-recognition of the group of 13 members making up the Ralliement Creditistes, under the leadership of the hon. member for Villeneuve (Mr. Caouette) who sits on this side of the house.

It will be remembered that a decision was reached giving precedence to the group under the leadership of the hon. member for Red Deer (Mr. Thompson) over the group of the hon. member for Villeneuve. Now, here is what transpired since then. The hon. member for Red Deer no longer receives the allowance of $4,000 granted to every political party leader in this house, while the hon. member for Villeneuve is in receipt of it. On the other hand, this order was decided upon ostensibly to comply with seniority. In this connection, I would like to quote a few figures. The 11 members making up the group under the leadership of the hon. member for Red Deer won a total of 23 seats; the group of 13 members under the hon. member for Villeneuve won 27. Moreover, amongst those members, the one who has been at the house for the longest time is the hon. member for Villeneuve, who was elected for the first time in 1946. Moreover, all the members making up the Ralliement Creditistes have been elected at least twice, while two members of the Social Credit party have been elected once only.

I also wish to point out that the leader of the Ralliement Creditistes now receives the $4,000 indemnity, that he has his offices like all party leaders, his secretarial staff, and is entitled to speak on motions like the other leaders of the parties recognized in this house, is entitled to delegations to foreign countries, is a member of the "Head Leaders club", a member of the "Whips club", which means that he is recognized exactly like other party leaders. Besides, we have seniority, as indicated by the figures I quoted a moment ago, the hon. member for Villeneuve having been elected as leader in 1958 while the hon. member for Red Deer was only elected in 1961.

Mr. Chairman, all those arguments give evidence of our seniority and I think that at the next session, the Speaker of the house will have to take his responsibilities and allocate to each group, according to its number and seniority, its rightful place.

I think that at the opening of the next session, the Speaker of the house will have to take his responsibilities and give the Ralliement Creditistes, under the leadership of the hon. member for Villeneuve, the place to which it is entitled.

I respectfully submit this opinion and these arguments which cannot be contradicted because they are facts, and I hope that the Speaker will take them under serious consideration.

Mr. Pigeon: Mr. Chairman, I have only one word to say concerning the estimates of the Speaker.

First of all, I wish to congratulate the Speaker for his patience towards me. On occasions, he suggests that the period provided for questions in the house be shortened. From time to time, we do not have the same

opinion. In any event, I wish him to show the same patience during the year 1964.

My remarks will be brief, Mr. Chairman. I want to ask you first whether it would not be possible to provide with simultaneous translation not only the public galleries, but also the second level of the press gallery.

Now, I would ask Mr. Speaker whether it would be possible to give more space to the press gallery. I submit that the members of the press work in difficult conditions, and it seems to me the ideal solution would be to provide them, not only with an individual office, but also with a telephone just like the members of the house, since, like them, they serve the public.

The members of the press gallery organized themselves in an association. I therefore wonder whether it would not be wise, in future, that they have their problems settled by their own association and not by the committee on privileges and elections, or by a member of the house, or by Mr. Speaker himself.

Here is my suggestion. Since journalists are grouped in an association, I think it would be advisable that we, members of the house, should not meddle in their affairs and that they should settle their own problems themselves. Whether a journalist should be admitted or not to the press gallery, I think that journalists are efficient enough to decide that by themselves, according to their own regulations.

[*Text*]

Mr. Fisher: Mr. Chairman, I intend to concentrate on one item, the whole question of the Raymond Rodgers case vis-à-vis the press gallery, and my remarks are not for my fellow members so much as for the Speaker.

He will remember that there was a motion of this house to refer the matter to a committee. The committee considered the matter and has presented a report which appears in yesterday's *Votes and Proceedings*. Pursuant to the order referring to the committee the question of Raymond Rodgers' right to use the facilities of the press gallery, the committee held four meetings and heard the following witnesses: Mr. Raymond Rodgers, Mr. G. J. Connolley, Mr. Arthur Blakely and Mr. Clement Brown. The report states:

> The evidence given by Dr. Ollivier before the standing committee on privileges and elections on December 11, 1962, was also tabled before the committee and reproduced as an appendix—
>
> The committee has considered Mr. Rodgers' right to use the facilities of the Canadian parliamentary press gallery and has agreed to recommend:
>
> That while this committee recognizes that parliament has jurisdiction over the public facilities granted the members of the press, we feel that this jurisdiction over the public facilities must be exercised through the Speaker or his delegated representative. Therefore, the case of Mr. Rodgers is referred to Mr. Speaker for decision.
>
> The committee further recommends:
>
> That the special committee on procedure and organization, at the next session of parliament, consider the expediency of reviewing the relations now existing between the Speaker and the Canadian parliamentary press gallery on the one hand and the relations now existing between the House of Commons itself and the Canadian parliamentary press gallery on the other hand.

Now, Mr. Speaker, I am speaking with caucus support on this matter. We are very anxious that a decision be made, and we are prepared to support it now or support it at the next session, that will give Raymond Spencer Rodgers, as long as he is the full time correspondent for the St. Catharines *Standard*, access to the public facilities of the press gallery. There were a number of ironies developed in the evidence and in the voting that went on in the committee. I suppose the most interesting thing was that the voting tended to cross party lines, and I do not believe I am giving away any secrets when I say that this particular recommendation was not unanimous.

I suppose the thing I found most intriguing was the fact that it took us so long to get going because the president of the press gallery, Mr. Connolley, was off to NATO. The whole matter, therefore, was postponed. Then, it turned out, even when Mr. Connolley got back, the press gallery found it necessary to have its main defence presented by a member of the press gallery whom I cannot find either on the executive or the directors of the press gallery. I refer to that great ex-columnist of the Montreal *Gazette*, Mr. Arthur Blakely. Mr. Blakely carried the defence for the press gallery. The evidence in which I am most interested can be found at page 756 of the report of the proceedings of the committee.

Now, Mr. Chairman, and Mr. Speaker too, I have a particular personal interest in the operations of the press in Canada, and because of that I may say that I was quite intrigued by the Prime Minister's statement today that the government is considering legislation which would prevent the takeover of our press by foreign interests. However, that is an aside. In connection with my interest, I should like to say that I did not want to bring before the committee an individual examination of the basis for belonging to the Canadian parliamentary press gallery and, as a consequence, have the use of the facilities. I want to put Mr. Blakely's opening statement on the record, to put into context some of the things I want to say about the people who now have the right to use the public

facilities in the press gallery which have been denied to Mr. Rodgers. Mr. Blakely says this:

The term "press gallery" means, in Canada, at least three things. Even in speaking among ourselves, we have to be careful to make it clear which one we have in mind.

The words "press gallery" mean:

1. The gallery overlooking the House of Commons from which we observe parliamentary proceedings.

I know that many of my colleagues will agree with me when I say that the most outstanding feature about these gentlemen is that when our attendance is criticized during the day or night, we have often found the gallery up there has been bare. The second point is:

2. The office space, provided to us on the third floor of the centre block, also at public expense, in which we write or otherwise prepare reports on what we have seen and heard in parliament;

I think some members must be aware of the fact that this is one of the worst blocks of housing, it is one of the worst examples of government planning that I have ever seen. It indicates either that the press gallery or the Speakers have been tremendously conservative to allow those conditions to continue, but they are conditions provided at public expense.

The third item Mr. Blakely put forward was:

3. The Canadian press gallery itself, a professional association which, while not of parliament, has been so close to parliament since confederation that William Lyon Mackenzie King defined it as an "adjunct" of parliament.

Now, those are the three descriptions that Mr. Blakely puts forward. Here, we have a situation where a young man, as the full time correspondent of the St. Catharines *Standard*, is denied these facilities. This is not his full time work, but so far as the St. Catharines *Standard* is concerned, he is their full time correspondent. This is a relatively small newspaper in a very prosperous town. They have hired him to do this particular work which consists, usually, of three or four stories a week and sometimes as little as two. However, he does send copy from this place to a legitimate daily newspaper and that copy appears several times a week. I might say that the copy he sends tends to be topical, that is it tends to follow things going on in the house. This is important to the point I want to make.

Now, the press gallery is denying Mr. Rodgers entry on the basis that he does not meet membership qualifications under article II, section (a) of their constitution. This is really the key point. The article reads:

Active membership of the Canadian parliamentary press gallery, hereinafter called the gallery, shall be restricted to persons who earn the major portion of their income through the writing or broadcasting of parliamentary or government news or comment as full-time salaried staff representatives of one or more daily newspapers, radio or television stations or systems, or a recognized news service, sending thereto dispatches regularly; and to persons assigned to work in Ottawa as a resident correspondent of a periodical of national and international standing.

This section, Mr. Speaker, embraces a very wide range. You have broadcasters, telecasters and writers for daily newspapers, weekly newspapers and periodicals both national and international. Every one admits that the St. Catharines *Standard* is a legitimate Canadian daily newspaper. We have it put on the record that the newspaper wants Rodgers as its representative. Rodgers fails to meet these membership qualifications because he is candid enough to admit that being correspondent for the St. Catharines *Standard* is not his full time job. It brings him in, he said, somewhere around 40 per cent of his income. One of the contentions Rodgers put to us was that he does not belong to the press gallery association, that is, the part Mr. Blakely had in part 3 of the club. He does not particularly worry about having access to the gallery, but he wants access to a mail slot and to the distribution facilities that are provided through public expense in the press gallery down the way.

I want to go through some of the members of the present press gallery to point out the discrimination that exists in this case through the denial and our failure, or Mr. Speaker's failure, to give this accredited person from a legitimate daily newspaper the right to access. I want to start off the list with Blair Fraser of *Maclean's* magazine. He is a very well known writer and he writes for a periodical which as I understand it, and I got this information from one of his colleagues, has a two and a half to three weeks deadline. In other words, his need for current copy or, say, for press releases or the blues, is really not very large. Even his need to be in his seat in the press gallery watching the House of Commons, and even though he is often in it, I suggest has nothing very topical about it and there is no great urgency for him to be here, because he has this two week deadline. One other point needs to be mentioned. Mr. Fraser and another man from *Maclean's*, Mr. Newman, write on very many other subjects relating to public affairs and not necessarily related to the House of Commons.

The next name I want to point out is Walter Scott who writes for the Toronto *Star Weekly*. This is a large newspaper which comes out once a week and has a circulation of about 800,000. He is down here part of

the time and, incidentally, he wrote an article recently about the Minister of National Health and Welfare. On the average he turns out, relating to parliament and its activities, according to what I can find in an analysis of that paper, no more than one article every month or so. Here again he has been accepted. He is fine, even though most of his duties do not relate to the house, and I am sure he does not earn most of his income as someone covering parliament. But he is fine; he is accredited; he is in. I have nothing against Mr. Scott, who happens to be a friend of mine, but this is an example of the discrimination.

Now I want to go a bit further and pick out a gentleman for whom I have a great admiration and who has been very kind to me. That is Mr. Robert McKeown who writes for *Weekend* magazine. He is an active member of the press gallery. He is fine. He roams the world doing stories for *Weekend* magazine, but again I have checked up and on the average he writes less than six stories a year that have any application to the House of Commons or even to work here in Ottawa. A great deal of the kind of work he is doing has nothing whatever to do with Ottawa and the Ottawa scene, but he has membership in the press gallery. Rodgers cannot comply with this magic constitution but Mr. McKeown can. I put it to you that Mr. McKeown's deadline must be at least six or seven weeks. There is no need for him to have this access to blues or press releases. He is not in any kind of a hurry as compared with a man working for a daily newspaper, but it is O.K.; he has got them; it is fine.

I am hoping to put into hon. members' minds the thought that when you examine the range of people working in the press gallery and the kind of work they are doing, there is discrimination here that was not brought out in the committee. That was partly my responsibility because I did not want to get into this question of who does belong to the press gallery.

I want to take a couple of other people, Mr. Warren Baldwin for the *Financial Times* and Mr. Clive Baxter who works for the *Financial Post*. Both are well known, capable writers. They write for weeklies and happen to be in competition with each other. Both of them do report the day to day happenings but they tend to be at a little more than arm's length from the average radio or newspaper reports. My point here again is that these men have a deadline that is set for them, and it is not the daily deadline Rodgers may have to meet. Yet they have the advantage. They qualify for membership in the press gallery, and not Rodgers.

[Mr. Fisher.]

Now I want to turn to *Time* magazine. *Time* magazine has two members in the press gallery, Jack Beal and Richard Gwyn. I have no quarrel with the fact that they are entitled to the same privileges as many of these other fine gentlemen I have mentioned; but what I point out to you, Mr. Chairman and Mr. Speaker, is that they prepare copy that goes into some kind of masticator, some master digest in Montreal or Toronto, and that in no real sense are they anything more than, you might say, humble people who prepare the basis for what *Time* finally puts out in its mint condition. There is no urgency about the kind of work they do except in relation to their own weekly deadline.

There is no great need for them to have these facilities, current facilities, that are denied to Rodgers. In fact these gentlemen, and this is understandable, spend a great deal of their time going around Ottawa interviewing people; in other words, getting background, this depth that *Time* is always searching for. This is fine. This is what their publisher wants them to do. That is part of the *Time* approach to things. That is great, but their need for having the use of the facilities that are denied to Rodgers is not comparable at all, and I want them to know that.

Mr. Chairman, one of the things when you look at this list is that you realize that the facilities in the gallery—and Mr. Blakely was candid enough to acknowledge this—tend to be hogged by the big newspapers. The Toronto *Star* and the Toronto *Telegram* are examples, where they take up much more space, maybe space in relation to their circulations, but that of course should not be the basis on which public facilities are supplied; and I put it to you that the St. Catharines *Standard* is every bit as important as the Toronto *Star* and the Toronto *Telegram* to the member of parliament, to the constituents and to the country as a whole, and yet they cannot qualify.

The *Star* usually has three to four men circulating around here. They have the use of the gallery but here is this young fellow from the St. Catharines *Standard* and he cannot even get in to have a little position about four inches by six inches, where he can pick up his mail, press releases and the blues. If you look at this matter in this regard and look through this list—and I challenge the Speaker to do this—and look at some of the people who have membership, and then take a look at the fact that Rodgers is producing copy for a Canadian daily newspaper, there is something terribly discriminatory about the kind of constitution which comes up with this kind of block.

There is one other very touchy element I want to get into, and this relates to the fact to belong to the press gallery is not necessarily, as Roy Thomson found on getting a television licence in Scotland, a licence to print money, but it is a fact that to belong to the press gallery and have the use of its facilities gives you an opportunity to extend your income, and to diversify, as some members of the press gallery have done. Gerald Waring is an outstanding example of this and his colleague, Peter Stursberg is another. There is no criticism of this, but the point is when the use of these public facilities is denied to someone it also means he is blocked off from developing his own income in this particular field. When a press gallery association refuses its membership, and refuses to consider the sharing of the public facilities with someone who is an accredited representative of a daily newspaper, it raises in my mind and in the minds of others the feeling that perhaps they do not want anyone else to get in on their opportunities. I may be exaggerating on this particular point, but it is certainly in the mind of Mr. Rodgers and it is one of the reasons he feels that in this matter he has been discriminated against. I think it is important for hon. members to appreciate this.

I want to point out that any member—and I hope in this particular case it will be the Speaker—who goes through this membership list will realize what a relative minority of this membership really needs the full range of the facilities that the public supply—that is, that we supply—to these gentlemen. I am not suggesting that any of them should be excluded or limited in the use of these facilities. But I am very annoyed, and I think it is a definite injustice, that this chap from the St. Catharines *Standard* cannot have the right to use those facilities. I want to ask you, Mr. Speaker—it has been put back to you; it is in your lap—to extend to Rodgers the use of the facilities that he has requested, and that is not the right to belong to the press gallery association. I want to ask you to do this as soon as possible. I want to tell you that if you find it impossible, this matter is going to be raised when the next session starts, and next session we are going to approach it in a much more co-ordinated cohesive way, because if the facts remain the same, as far as we are concerned an injustice will have been continued.

Mr. Cowan: Mr. Chairman, as a working Canadian newspaperman of over 40 years experience in the field in Canada, I wish to state that I endorse in every word and gesture the remarks just made by the hon. member for Port Arthur. I have sat in the press gallery of the Canadian House of Commons on three separate occasions, for three different newspapers. In every case the publisher sent a communication to the Speaker of the House of Commons asking for permission for me, as a representative of the paper, to be seated in the gallery. The publisher did not ask the members of the press gallery whether his representative could have the right to sit in the gallery. The privilege of seating people in the press gallery belongs exclusively to the Speaker and should be exercised by the Speaker. I want to go on record as endorsing the remarks of the hon. member for Port Arthur in this regard.

Mr. Baldwin: Mr. Chairman, I have a very few remarks to make on an entirely different subject matter. I will be very brief in connection with it. One could not have been around the parliament buildings for the last month without being impressed by the extent to which committee work has become such a very important section of the parliamentary process. For that reason I wish to say that I am very pleased indeed to see the report brought in by Mr. Speaker, which recommends the appointment of committees for the term of a parliament. I think this will have a very considerable beneficial effect on committee work.

There is one more suggestion I would like to make and it is ancillary to this recommendation. I hope that when the committee resumes, it will consider this matter. I refer to the extent to which a committee can in turn delegate its authority to subcommittees. It has been my experience that there are many matters included within the four corners of what is referred to a committee which lend themselves very well indeed to being treated by a small subcommittee of three, four, five, six or seven committee members, who in an informal way around a table, with the assistance of members of the permanent civil service, are able to direct their attention to these particular subject matters and then come back to the main committee with a report.

In my submission this is something which in due course might be worked out by a simple amendment to our standing orders which would provide—or should provide, I would hope—that a committee would have inherently the right to appoint such subcommittees. I would refer only to citation 294 of Beauchesne. I will not go into detail in this regard, Mr. Chairman, but there is raised by the contents of this paragraph, and by some research which I have carried out, some doubt as to the extent to which a committee can in fact delegate its authority to a subcommittee.

I would hope that for next year the house leader will give some consideration to establishing committees in the general terms of reference which apply, and I hope these terms of reference will include the right to appoint subcommittees for the purposes I have mentioned.

Mr. Olson: Mr. Chairman, I want to say a few words about this matter of Raymond Rodgers and the press gallery association's denial of access to certain things that he feels he requires. I am not going to go back over the evidence. It is all contained in the proceedings of the committee on privileges and elections and even in the report that committee tabled in the house yesterday. They accept the fact and restate that the facilities provided at public expense in the press gallery, and all this involves, must be under the jurisdiction of the Speaker. There is no point in going back over that.

But when we get down right to the nub of the point in question as to whether or not Rodgers should be in the press gallery, I would point out that we asked the spokesman for the press gallery during the committee meetings, "What is the criterion that is used to either accept or reject an applicant for membership in the press gallery?" Of course the witnesses referred to article 2, subsection (a) to which the hon. member for Port Arthur referred. I am not going to repeat it, but it provides that this right shall be restricted to persons who earn the major portion of their income through the writing or broadcasting of parliamentary or government news. When I was examining Mr. Blakely, who appeared before the committee, I put the question directly as to whether he knew anything about the income of the members of the press gallery. He said, in effect, that of course they did not look into anybody's income, and he said, "We do not care how much money they make". Yet this is the criterion they use to admit or reject people who apply for membership of and access to the press gallery and its facilities.

Under further examination the witnesses who appeared on behalf of the press gallery said that the income was not important; it was whether or not they were full-time. So I asked, "Full-time what? Full-time salary?" They said no, they did not care whether they earned $10, $40 or $200 a week; this was not important. But they had to have a letter from the managing editor or the publisher of the newspaper stating that this individual was in fact working for him full-time, or for the major part of his time. Well, Mr. Chairman, we know, as the hon. member for Port Arthur has pointed out, that there are a number of cases of members of the press gallery who do not spend most of their time, or perhaps do not even earn most of their income reporting in the press gallery. For example we have members of the press gallery who report for agricultural papers, weeklies and even monthly agricultural publications. These people are interested in anything that takes place here that has to do with agriculture, and I presume they write about that whenever it is discussed. On the other hand, they are full-time observers and they do not know whether something respecting agriculture is going to be raised on Monday, Tuesday or Wednesday. So certainly with regard to the matter of time it cannot be said that they apply this section of their constitution to applicants. They admit that they do not apply the income part of it to applicants. Therefore I am convinced that it means nothing. They say it does not mean anything in regard to income, because they do not look into income. Nevertheless it refers to major income and says they do not care how much time is spent writing up there about the proceedings in parliament.

What actually happens is that the question of the acceptance or rejection of an applicant to the press gallery association is reduced to one of complete discretion on the part of the executive of the press gallery association. If the members of the House of Commons do not want to accept that kind of tyranny, I do not think we should allow it to go any further. I also want to say that as far as the committees work is concerned, and the recommendations they made, I think they did the Speaker an injustice, because the motion which was referred to the committee on privileges and elections was in these terms:

> That the question of Raymond Rodgers' rights to use the facilities of the press gallery be referred for quick study and report back to the house on its merits by the standing committee on privileges and elections.

What the report in part said was that the committee refer the matter back to the Speaker for decision and for further study by some other committee. And this, after we had five meetings. It is a prime example of not making a decision when asked to.

To get back to Mr. Rodgers, he told us that he needs the press releases, and needs access to them quickly so that he can meet the daily deadline of the paper to which he reports. The press gallery association said that if Mr. Rodgers would come to them with a letter from his managing editor or publisher stating that he is a full-time employee of that paper, they would accept him. Mr. Rodgers, as was pointed out, is a candid man, perhaps stubborn too. Perhaps he is too stubborn to lie, which in my opinion is an attribute rather

than something to be discriminated against. He has said that he needs these facilities, which are provided at public expense.

There is a rather interesting precedent for this matter which is founded on a question of privilege set out in "Parliamentary Procedure" by Saint-Maurice, at page 669. This precedent bears a striking similarity to the present case. As a matter of fact I drew this matter to the attention of hon. members when I moved the motion which referred this matter to the committee. In this particular case an editor and proprietor of a newspaper had been commited by the Quebec legislative assembly to the custody of the sergeant-at-arms for allegedly traducing a member of his newspaper, and he remained in custody for some time. In the present case the individual has not been deprived of his physical liberties but he has been deprived of certain liberties which he had and which he ought to have to enjoy, because he relies on them to make his living. The speaker in the case cited ruled that to entitle a motion to waiver of notice and to precedence, the matter of privilege to which it relates must be urgent in point of time. This is exactly the point, Mr. Chairman: with each day of each week of each month that there is delay there is in fact a denial of liberty. The Speaker of the Quebec legislature went on to say this:

> His liberation depends upon the judgment to be pronounced upon his case by the house, and as the British constitution is jealous and vigilant for the individual liberty of all who live under its sway, the question proposed is urgent in point of time...

Mr. Rodgers has been deprived of the things he thinks are his right, as a Canadian citizen and newspaperman, for several months.

I am going to close now, Mr. Chairman, because we have had much discussion on this matter; but with every day of every week of delay which deprives Mr. Rodgers of his rights there goes a serious injustice, in my view. By delay we allow the press gallery executive, or whoever is responsible for keeping Mr. Rodgers out to win their case.

Now I want to turn to one other matter. I understand an hon. member wants to speak on this subject.

Mr. Howard: Mr. Chairman, the hon. member for York-Humber, the hon. member for Medicine Hat and the hon. member for Port Arthur and others have expressed eloquently the feelings I have on this matter, as well I am sure as the feelings everyone in the committee have, and I think some course of action should be taken immediately to deal with it, rather than delay any longer. Accordingly I move:

> That the committee rise, report progress, recommend that Raymond Spencer Rodgers, as a correspondent of the St. Catharines *Standard*, be granted the use of the facilities of the press gallery, which are provided at public expense, and ask leave to sit again later this day.

Mr. Pickersgill: Mr. Chairman, have you given any consideration to the question whether the motion is in order?

The Deputy Chairman: I am ready to give a ruling on it. In the committee of supply the type of motion which is allowed is one to reduce an amount of money, or for the committee to rise. In this particular case the motion asks the committee to rise. So far as it goes to that point I believe the motion is in order. But the attachment to the motion of words which tells the committee what it will do when the committee rises I believe makes the whole motion out of order.

Mr. Howard: Mr. Chairman, I think the committee desires, as does the house, to make a determination on this point. I will gladly withdraw the central part of my motion referring to the recommendation that Raymond Spencer Rodgers have access to the facilities of the press gallery, so that it would read:

> That the committee rise, report progress, and ask leave to sit again later this day.

Then when we rise and report progress with Mr. Speaker in the chair the house would be in a position to deal with the matter.

The Deputy Chairman: Then the procedure would be for the hon. member for Skeena to withdraw his present motion and to move a motion that the committee rise.

Mr. Howard: I would so move, Mr. Chairman.

Mr. Pickersgill: I think the motion would have to be withdrawn before the other was made. The hon. member would have to get agreement to withdraw his motion; I am sure it will gladly be given.

Mr. Howard: I would gladly withdraw it and bring in the other motion if I might have time to spell it out.

Mr. Pickersgill: Perhaps I might take a moment of the committee's time, while the hon. member is producing his motion, to raise a question which the hon. gentleman might answer before he goes further. It is this: Can he tell us what he thinks the house could do if the committee did rise and the Speaker went back into the chair? It is true that making this motion and giving leave to sit again does not impede the business of the house except for the brief period—if it was a brief period—during which the motion would be before the Speaker. I am not an expert on the rules, and the expert on the rules among the hon. gentleman's

friends is, I regret, not here at this moment. He will be able to give us some guidance on this point. Indeed, I feel this is one of the occasions when we ought to send for him. But I will try, in my poor way, to fill in. It does seem to me that it would not be possible for the house to do anything of a substantive nature with the Speaker in the chair without a substantive motion of some description being before it. That would require unanimous consent in the circumstances which exist today. Perhaps a good deal of the time of the house and the committee could be saved if, before the hon. member went to the length of moving his motion, he would tell us what kind of motion he would propose to make after the committee has risen. Then he could ascertain from those of us who are here—and I do not think the composition of this chamber is likely to change materially in the course of the next few minutes—whether he would get unanimous consent for his motion after the Speaker has resumed the chair. Needless to say, I am in a mood to cooperate as far as it is possible to do so. But the hon. gentleman, who is very ingenious, has presented us with a surprise and perhaps he could tell us what the surprise is going to be before he makes his motion for the committee to rise.

Mr. Howard: Perhaps I could deal with that. I may say that if there is any ingenuity on my part it is only because I have attentively watched the Secretary of State over the months, both in his present capacity and before that. Undoubtedly the motion would have to be a substantive motion and it would require unanimous consent, since notice is difficult to give at this late stage in the proceedings. The motion to which I would be glad to have the house give its approval is as follows:

That the Sergeant-at-Arms, pursuant to standing order No. 88, be instructed to grant *pro tem* a card admitting Raymond Rodgers to the press gallery of this house.

Mr. Pickersgill: Did the hon. member for Edmonton West wish to say something?

Mr. Lambert: As far as procedure is concerned, obviously this would be a debatable motion. It is a substantive motion and would require notice unless unanimous consent were given.

Mr. Pickersgill: I think everybody recognizes that, unless there were unanimous consent when the Speaker was in the chair, the Speaker could not entertain the motion. I suggested that we find out now, before the motion to rise was made, whether there would be unanimous consent to the motion being made. This would not imply that we would support the motion.

[Mr. Pickersgill.]

Mr. Lambert: On that point, I think it would be quite improper to ask what would be the desire of the house with the chairman in the chair.

The Deputy Chairman: Order. I should like to point out that the procedure we are embarking on now is somewhat irregular. The Chair is not very disposed to rule in advance. The duty of the Chair is to rule on what happens, not on what might happen.

Mr. Pickersgill: I defer to Your Honour and to experts like the hon. member for Edmonton West in these matters. It only seemed to me that if there was a plainly negative feeling expressed in the committee it might save a little time. However, perhaps it would be better if the hon. member were to put his motion, which he has a perfect right to do at any time, that the committee rise and report progress. We can see what happens when his motion is made. That does not imply that the other motion would be acceptable or that unanimous consent would be given if the committee should decide to rise. I may say that I would prefer—and I offer this suggestion to the hon. member—to let this stand over until we have disposed of the estimates and we have risen in the normal course of things. There will be a certain interval of time, then, during which the government has undertaken to allow one or two other matters to be brought up and I would certainly be willing to see that before we went to the other place the hon. member, or the hon. member for Medicine Hat, were given an opportunity to ascertain whether there was unanimous consent to consider the matter at that time. This would avoid any interruption of our present proceedings. If that would be satisfactory I would certainly give such an undertaking. This could be done after the appropriation bill had been disposed of and before we came to the other matters. The hon. gentleman could seek unanimous consent at that time and we would be able to continue.

Mr. Lambert: There is one further problem which I should like to refer to the Secretary of State. If the committee should rise, and if the Speaker were to come back into the chair, is the minister sure as to how the house would get back into committee of supply?

Mr. Pickersgill: I understand that the hon. gentleman was going to move that we rise, report progress and ask leave to sit later this day. So that problem is taken care of. But the position would be safeguarded by the suggestion I have made, and I hope the two hon. members who are particularly concerned with this matter will be disposed to accept it.

Mr. Howard: My approach to matters of this nature is not how we are bound by the rules, but whether we can take a reasonable course toward reaching a solution. That is what I have in mind, rather than what happened in 1890 or on various occasions in the past. I think the hon. member for Medicine Hat and others would agree to the course suggested by the Secretary of State, that is that we should wait until we have concluded the business before the committee, then rise in the normal course and ascertain what the views of the house are at that time. I would therefore ask leave to withdraw the motion which I placed before you a while ago, Mr. Chairman.

Mr. Pickersgill: I am most grateful to both hon. members for being accommodating with regard to a matter about which they obviously feel strongly.

Mr. Fisher: Since, later on, he may be in the chair and it may be difficult for him to express any views, may I ask the Speaker whether he has any comments to make on the questions I raised with regard to the Rodgers case?

Mr. Speaker: Yes, I have quite a few comments to make. Up to the present time there have been nine speakers, all raising matters of considerable interest. Certainly, they are matters of great interest to me. I do not think it would be fair at this time to concentrate on one subject. I would prefer to make a general statement at the end.

Mr. Prittie: Mr. Chairman, I should like to say a few words about the index of *Hansard*. I wish to suggest that those people who receive *Hansard* on the basis of lists sent in by members should receive the index as well. I know that people who subscribe to *Hansard* can get the index by paying an extra dollar, but many members send *Hansard* to schools and local libraries and I should like to suggest that the index go along with the regular subscription where the names are submitted by members.

My other point has to do with the indexing staff. My office is located next to the indexing branch, both English and French, and I notice that they seem to put in very long hours and very frequently work on the week end and particularly at night. It seems to me there is a very large amount of indexing to be done these days because of the increase in questions on the order paper and the many speeches being made. I have the impression that branch is understaffed and I should like to have this situation investigated.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Chairman, I should like to bring up again at this time a matter I raised earlier with regard to the capitalization and punctuation methods of the *Hansard* editors. I should like to bring it up now because I have noted that the Senate *Hansard* editors apparently follow, to my mind, a more literate and a more proper system of capitalization. This was brought quite sharply to my attention when I found that the hon. gentlemen in the other place had been discussing the same thing I had been discussing in the speech about which I complained. I refer to the capitalization of "international monetary fund" which the Senate *Hansard* editors quite rightly capitalized, as it is a definite organization and which our editor refused flatly to capitalize, leaving it in a perfectly ridiculous situation in that the reference might be merely to an abstract concept of a world fund of some sort. I should like to suggest at this time that Mr. Speaker take under advisement a review of the methods of capitalization and punctuation in the editing of *Hansard* because today they are far from satisfactory to anyone who has any care for the use of the English language.

The Deputy Chairman: Shall item No. 1 carry?

Mr. Peters: Before it carries, Mr. Chairman, I thought Mr. Speaker had some comments to make on some of the suggestions that have been made. I think some of them are fairly current and warrant immediate attention.

Mr. Speaker: Mr. Chairman, this is one of the few but very pleasant opportunities I have to say something in the house in the present circumstances. I should like to seize the opportunity and begin by conveying my appreciation of the good work that the staff of the Speaker has done in rather trying circumstances, shall we say, since September 30. In that connection I want to single out particularly the Clerk, who has carried a very severe load since September 30, Mr. Montgomery who, due to a little overwork, shall we say, had to leave us for a few weeks, and Mr. Dubroy who has been of tremendous assistance. The three gentlemen at the table in the centre of the Commons, as you may well judge, have carried more than their fair share of work this session.

I should also like to mention the Sergeant-at-Arms who is burdened with a great deal of detail, some of which has been referred to today. Then there are the various heads of departments, the head of *Hansard*, the interpreters, with whom we work very closely, although they do not actually come under our jurisdiction, the head and clerks of the committees branch—and I think all members

know the difficulties under which they have been working this session—the constables, the pages and all other members of our staff.

I should also like to thank members of the house for their constant co-operation, which has been very necessary and very much appreciated by me. At this time, although it may be a little forward, I should like to thank members once again for the honour they have done me in sustaining me as Speaker on more than one occasion.

I would be remiss if I did not refer to the Deputy Speaker and the deputy chairman of committees who is in the chair now. They too have carried quite a burden.

It will be seen from what I have said, I think, and from the discussion this afternoon that times are changing in the House of Commons, and I am all for change. Eleven members this afternoon have shown a great deal of interest in the organization of the House of Commons, and I will not say that I am unsympathetic in any way with many of the views presented, but on the contrary the more constructive criticism we get the better I like it. With that in mind we have already been making a few changes. Things do not move quite as fast in the public service as they do in private organizations and I confess to periods of frustration, just the same as some hon. members. But we are building up a good working team in the Speaker's establishment and I am rather proud of it at the moment. We hope to improve.

Many questions have been raised. I am sure hon. members do not expect me to deal with them all in detail; but to show that I do have some comprehension of some of the problems I would refer to the fact that, for example, reference was made by the hon. member for Timiskaming to staff, and in particular to the protective staff and the fact that we have 72 members on that staff. One of the new problems which have arisen within the last three to five years is what to do with the increasing volume of tourist traffic on the hill. Five years ago we had 500 tourists a day. In July and August this year we ran between 6,000 and 7,000 a day. All of them want to get into the galleries. This is a new problem and it points up that times are changing and a new approach has to be considered.

Other questions had to do with the translation bureau. This morning I had the opportunity of visiting what I admit are very poor quarters that they are occupying at the present time. Already I have dictated a letter at 12.05 p.m. today to the Sergeant-at-Arms to raise this question immediately and see what we can do about it.

[Mr. Speaker.]

There is the question of committees and whether or not the messengers should be trained to operate the radio facilities. This matter has already been discussed on two or three occasions, and again another letter was dictated today with a view to seeing how we can improve the facilities for the next session.

There were a great many other questions. The hon. member for Timiskaming referred to the fact that the internal economy commission was perhaps outdated and should be replaced by a joint party committee to help the Speaker. This is a very interesting suggestion. It was dealt with more or less fully in 1962 by the hon. member for Skeena. I have the record here and I have read it very carefully.

However, I would point out to the hon. member that it is not up to the Speaker to decide this matter. The Speaker is bound by the House of Commons Act, which makes it a statutory matter. If the hon. member wishes to change the act, let him do so, but certainly the Speaker has no power in that regard. Section 16 of the House of Commons Act reads as follows:

> **The governor in council shall appoint four members of the Queen's privy council for Canada who are also members of the House of Commons, who, with the Speaker of the House of Commons, shall be commissioners for the purposes of this section and sections 17 and 18.**

It might interest hon. members to know that the members of the internal economy commission are the Minister of Justice, the Minister of Finance, the Minister of National Health and Welfare and the Secretary of State.

With regard to television and radio facilities, I will have more to say about that in connection with the press gallery. Someone mentioned research facilities. This is one of the things I am extremely keen about and perhaps I am giving my personal views but surely once a year I am entitled to do that. We have in mind to review from the ground up or from the top down—it does not matter —the library of parliament. We feel that at the present time the library of parliament, good as it is, is not necessarily fulfilling the function for which it was set up. We have in mind the congressional library in Washington and the facilities provided in the United Kingdom. For that reason I have already on the desk a report on certain improvements which could be made. This question, of course, will be considered by the committee on procedure and organization which has been set up.

In so far as the *Hansard* staff is concerned, their salaries and numbers, I may say that this year we have been in particular difficulty as a result of the number of committees, the

level of salaries which are paid, and difficulties in recruiting the staff. For that reason, the question of whether tape recording should replace the present system was referred to a committee.

Several other questions have been brought up today. There was the question of telecommunications raised by the hon. member for Lapointe. I understand that at the moment the internal economy commissioners have not reached any conclusion as to whether it would be a good or a bad thing to pay for the telegrams, long distance calls and all the rest of it. I am sure that hon. members will appreciate that they have not been too badly treated as of the moment.

In so far as the recognition problem is concerned, the hon. gentleman who raised it is not here so I am going to take advantage of the fact and not deal with the question.

Various other points were raised, not the least of which was the one raised by the hon. member for Port Arthur, joined by the hon. members for York-Humber, Medicine Hat, Skeena and one or two others. This question related to Raymond Rodgers and the press gallery. In view of the discussion here this afternoon, which I found very helpful and useful, I must say that I think hon. members know that I am not at all unsympathetic to the person concerned. I doubt if he has received as much attention from many other people as he has received from me during the last few months. The question is not an easy one to decide, and should not be decided on the basis of emotion or personality but on the basis of principle. For that reason I have told him, and told anyone who wanted to listen, that in due course when the principle has been established in the proper way and all factors have been considered, that will be the right time to render a judgment.

In so far as the press gallery is concerned, Mr. Rodgers is not alone in complaining. Many members of the press gallery are complaining constantly about the space problem. I am well aware of the conditions under which they work. I am well aware also of the fact that within the last few years the numbers in the press gallery have increased from 30 to about 110 or 120. This, in part, results from the development of communications by radio and television. The point is that the system under which we have been working up to the present time, vis-à-vis the press gallery, is very much out of date. Only yesterday I had the president, and perhaps the past president, of the press gallery in to discuss the constitution. I said that the constitution needs to be re-examined, reassessed and brought up to date. The same remarks apply to the bylaws under the constitution.

The question of space is a very pressing one. We thought at one time the taking over of the west block would be the answer to the problem. However, the problem seems to get worse every day. One idea that we have toyed with is that of dividing the membership of the gallery into two categories, those who are connected with daily papers and those who are connected with weekly papers or magazines. At the moment we have under reservation considerable space in the west block. We are trying to negotiate a solution between the press gallery and the Department of Public Works which will be of use to both sides.

There is also the question of visiting pressmen from other countries and other capitals. They arrive here and there is no place to entertain them. Perhaps the members of the press should construct their own building, as is done in Washington. Perhaps the owners of the large newspapers should, themselves, look into this problem and assist the rest of us.

In any event, it may be possible to work out a solution by which the members of the press gallery would get more space by splitting them into two parts, the daily and weekly or magazine sections, and thus make better facilities available. Amongst the better facilities, I include the need for a room in the basement or some other convenient place in this building to be used as a television and radio studio. I think all of us agree that it is ridiculous that the C.B.C. should go to the expense of hauling equipment up here every time they want to televise some proceedings, thus cluttering up the halls. It should be possible for members to go to a room downstairs for television or radio broadcasts. This is another thing we have in mind.

If I may summarize the whole question, I may say that the problem of the press gallery will be thoroughly considered by the new committee on parliamentary procedure and organization. I have already suggested that we set up immediately a small subcommittee, as was suggested by the hon. member for Peace River, to do the necessary research on this problem of space, constitution, bylaws, membership and all the rest of it. So far as I am concerned, until I receive a carefully thought out and well documented report which has been discussed with our advisers, I do not believe it would be right to jump in and give an emotional decision, no matter what I may think personally, nor is it the right time to give a decision on this Rodgers case. It may be decided later on. You cannot act as judge and jury at the same time.

I believe I have covered most of the points that were raised this afternoon in a very cursory way. There are a great many problems. One thing I should like to bring to the

attention of hon. members is the desire which I know you have, and which certainly the Speaker has, of making a complete review of the Speaker's establishment. This is long overdue, for some of the reasons I have given this afternoon. Things get out of date when built-in systems of doing things continue from year to year. The purpose of setting up the committee on procedure and parliamentary organization was precisely to examine the standing orders of the house, try to modernize and streamline them for what it may be worth, and the most important factor involved is the modernizing of the way in which the institutions work in the house. I feel that inasmuch as we are in an industrial age, in a mechanical age, we need every mechanical gadget we can get to speed things up; that is the way things are done. I told you that I thought the library should be carefully examined. I told you I thought the committee system needed to be carefully reexamined. I have always said, from the beginning, that the committees are too large and smaller committees, as suggested by the hon. member for Peace River, are more effective. Well, this idea may be right or it may be wrong.

These are some of the outstanding problems, and anything which will make parliament more effective, which will create a better image vis-à-vis the public, must be considered and must be brought into force. This is the purpose of setting up the parliamentary committee on procedure and reform, if I could call it that. I assure you that the committee, consisting as it does of highly qualified members experienced in this house, with sufficient finances to find the necessary papers to study, with a desire to examine the system at work south of the border and the source of parliamentary inspiration in the United Kingdom, with all of these things and with these ideas floating around, will surprise me if it does not bring about a revolution in many of the procedures which we are following at the present time, something which is long overdue.

Mr. Howard: I am sure the applause indicates the feeling of everyone in relation to the reception of the comments by Mr. Speaker. It is always a bit inhibiting, because we have the highest regard for that office and for the person who holds it, to get involved in a controversial debate over matters under the jurisdiction of Mr. Speaker.

There is one point I would like to follow up, and it deals with the question of research assistance. The only research assistance that is available at the moment is that referred to in standing order 87 which says:

> It is the duty of the joint law clerks of the house to assist members...in drafting legislation—

[Mr. Speaker.]

I think it is particularly important to draw attention to the words "joint law clerks". The background for this, as was mentioned earlier by the hon. member for Timiskaming is such that there should be joint law clerks, one familiar with the civil code as it is in Quebec, and the other familiar with the common law as it is in other parts of Canada. It also is connected with the two founding races who entered confederation, and is connected with the current interest in bilingualism and biculturalism.

Unfortunately we do not have joint law clerks. We have one law clerk in the person of Dr. Maurice Ollivier who is, I am sure, well known to everybody in the house and who has appeared before a number of committees. Dr. Ollivier for the last few years—I could not say offhand how many, but eight or ten years—has filled the position set out in standing order 87 as "joint law clerks". I submit he is not. He is a singular person, and his background is that of the civil code of Quebec. I submit there should be another person appointed to participate with Dr. Ollivier in filling the position stipulated by standing order 87 of joint law clerks, so that there will be an English speaking and a French speaking person filling his office, having equal stature, status and standing, and so that members can go to whomever they choose to assist in the preparation of bills.

This matter was of great concern to many hon. members before the summer recess took place. It was discussed at a variety of meetings in which a number of people participated. We hoped that before the summer recess ended a solution would be found and that there would be appointed joint law clerks.

Speaking personally, I have a bit of a grievance with respect to this because the experience I have had with respect to Dr. Ollivier in assisting in the preparation of bills, has not been too good. I have only had occasion twice to go to him specifically to seek assistance in the preparation of bills. In one case he refused, saying it was not possible. In another case he prepared a bill for me which I filed and presented to the house. I subsequently discovered there were three errors in that particular bill and I am glad it did not come up for second reading, because it would have been a bit embarrassing for me to deal with a bill containing three errors, incidentally all of them on the same page.

I draw this to the attention of the committee because I think hon. members are not getting full assistance from the law clerk of the law branch, for the simple reason there is not in that office two people, one of French speaking descent, familiar with the civil code

of Quebec, and another of English descent familiar with the common law of England and Canada, both having equal stature and status. This situation has been going on too long so far as I am concerned, and I hope Mr. Speaker will make a decision about it within the next few moments and indicate that there are going to be joint law clerks as provided by the standing order, so that every one will be on an equal footing.

The Deputy Chairman: Shall the vote carry?

Mr. Howard: This is a far more serious matter than meets the eye and I hope Mr. Speaker will reply.

Mr. Speaker: I would like to make just a few remarks as I realize time is passing. First of all, I want to say I have the highest confidence in and most pleasant relations with Dr. Ollivier.

Some hon. Members: Hear, hear.

Mr. Speaker: He is, as is well known, besides being a good attorney a professor of constitutional law at Ottawa University, and I can testify that in my short term as Speaker so far, he has been of tremendous use to me personally, both with regard to preparing bills and opinions, and advice generally. As an attorney, myself, of a fair amount of experience, both in business and in law, I value his views.

I realize there are difficulties in that department. The hon. member and myself have discussed this on more than one occasion. I have done my best to try and regulate some of these difficulties, not too successfully; but while there is life there is hope. It is one of the problems that I referred to inferentially when I said there were a lot of problems in the Speaker's establishment; but this is one problem I am going to refer to the special committee. It is their job to examine it and help and advise me in reaching a conclusion. As of the moment I just want to say, so far as the gentleman referred to is concerned that he has my full confidence and will continue to have it so long as I am Speaker.

Mr. Peters: Could I ask the intentions of Mr. Speaker to maintain the office of joint law clerks?

Mr. Speaker: That is asking for a decision. I am not afraid to make decisions, but I am afraid of not making the right decision, and that takes time and consideration. As I have said, it is a difficult problem to answer and it is one which is under close study at present. As to whether there should or should not be more than one, I am going to seek the advice of this special committee which was set up to examine these problems. If we are going to use the parliamentary system at all and if we are not to have dictatorship—even though as I say I am not afraid of making decisions, I have made them all my life—we should use this committee. It was set up to consider these problems, and surely courtesy and justice dictate that the committee be consulted so that it may advise the Speaker. That is the democratic way to do things.

Mr. Otto: I was very happy to hear Mr. Speaker say that this committee, of which he is chairman, will introduce great reforms in the house. It is about time. However, I am sure hon. members will recognize one problem has not been touched upon, and that concerns the page boys, our great helpers. Of necessity they are enrolled in their own schools up to noon hour. That is half a day; and when they work here for the rest of the day they are denied the education that they should have, with the result that in a great many cases they drop out of school at a very early age.

Surely the time has now come when we should consider a completely new system of page boys, through which their education could be provided here, possibly along with living accommodation, and then page boys could come here from all over Canada and not of necessity just from Ottawa and Hull. I would like to bring this to the attention of the Speaker and his committee. It is a problem that deserves consideration as quickly as possible.

[*Translation*]

Mr. Ricard: Mr. Chairman, just a few brief remarks to thank the Speaker and the Clerk for the co-operation they have extended to me and the readiness with which they received my suggestion to put French and English titles on the books and reference records on the table of the house.

I would not miss this opportunity either to mention that the two preceding Speakers have always been very kind to me and have always shown their willingness to implement my suggestions to the effect that both in the house and on parliament hill bilingualism be more and more widely recognized.

[*Text*]

Item agreed to.

Mr. Pickersgill: Mr. Chairman, perhaps you would permit me, before we embark upon the estimates of the Minister of Finance, to find out what the wishes of the committee might be with regard to the hour between six o'clock and seven o'clock. If it was thought that we could complete the remaining two

departments and one item by 7.15 or something of that sort, perhaps there would be a disposition to sit right through. If it was thought we were going to take rather longer, it might surprise the committee to have me suggest that we should rise either at six o'clock or 6.30 and do what we did at lunch time, that is take half an hour in order that we might stretch our legs and relax a little before going on. If we could have the sense of the committee at this stage, it would be helpful.

The Chairman: Is it agreed that the committee sit right through?

Mr. Pickersgill: I put two alternatives, Mr. Chairman.

Mr. Knowles: Mr. Chairman, at noon today some of us were suggesting that we should have an hour, and the Secretary of State came back with half an hour. I think we should be fair about this. He has now suggested half an hour, so I suggest an hour.

Mr. Douglas: I wonder, Mr. Chairman, if it would not be better to wait until six o'clock and see what progress we have made. I think most of us would feel that if we are rolling along and could finish by seven o'clock, we would rather sit through until seven o'clock and finish. But if at six o'clock it appears it will take a couple of hours, I think we should recess for dinner.

Mr. Nowlan: That is what I was going to suggest, Mr. Chairman, that we see what progress has been made and decide at six o'clock.

Mr. Pickersgill: Perhaps it could be settled at about five minutes to six o'clock, because hon. gentlemen in the other place are making one of their periodic reassemblies to find out what progress we are making, and they would like to have some prognostication at six o'clock. So perhaps at six o'clock I could interrupt the proceedings and we could then decide this matter.

Mr. Knowles: They are working hard today.

DEPARTMENT OF FINANCE

25. Tariff board—administration, $207,800.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Chairman, I thought the hon. member for Digby-Annapolis-Kings was going to speak on these estimates. I have a few things to say about them. I should not have let you go so quickly.

The Chairman: On what vote does the hon. member wish to speak? We are on vote No. 25 at this moment. Shall vote No. 25 carry?

[Mr. Pickersgill.]

Mr. Scott: Just a minute, Mr. Chairman. The hon. member for Nanaimo-Cowichan-The Islands has some remarks that he wants to make. If the committee will not wait for a moment while he finds his notes, then some of us will have to start making speeches.

Some hon. Members: Oh, oh.

Mr. Cameron (Nanaimo-Cowichan-The Islands): I can say what I want to say on vote 40, Mr. Chairman. I will wait until we get there.

Item agreed to.

35. Royal Canadian Mint—construction or acquisition of equipment, $178,600.

[*Translation*]

Mr. Perron: Mr. Chairman, I should like to make a few remarks in connection with item No. 35.

Even if, on several occasions, we voiced criticism concerning the national debt and the interest paid thereon. I feel certain facts have to be brought out at this time when the committee is asked to approve an expenditure of $854,624,300.

The estimates of all departments are important but the present ones are of major importance since they amount to more than $1,300 million, $800 million of which will be used to pay the interest on the national debt.

Mr. Chairman, it is our duty to make a few suggestions at this point. All of us have not had the opportunity of getting a degree in political economy, but some of us have found the time to read and to make a close study of our economy, more particularly as regards its financial structure.

You can go back to the time of Adam Smith, the father of economic liberalism, you can read and study Karl Marx's theory or scrutinize Mr. Beveridge's theory or those of various contemporary authors, nowhere will you find any significant mention of the interest on the national debt. Yet, the Canada Year Book, especially the 1962 edition, contains appalling figures; in fact, they are a sign of an unacceptable and intolerable situation in a country like ours.

Thus, under the heading—

Summary of the public debt and interest payments thereon, years ended March 31, 1952-61

—we find that the gross national debt has increased from $17,257,668,676 in 1952 to $21,602,826,960 in 1961.

On the other hand, if this debt is distributed on a per capita basis—I am now referring to the net debt—this table shows that it has gone down from $773.59 in 1952 to $681.92 in 1961.

However, it is noted that the interest per capita has gone up from $30.87 in 1952 to $42.34 in 1961, in spite of the decrease in the per capita debt.

Mr. Chairman if under our present system we are required to pass estimates as important as those now under consideration and to appropriate some $800 million to the payment of interest on the national debt, it is high time we did something more than to follow this simple parliamentary procedure which allows us to criticize the estimates of the various departments.

What we have come to, nowadays, is that we raise loans to pay the interest on loans that we cannot even pay, under the present economic system, out of the taxes of all kinds which are imposed at all levels of government.

If we are ready to spend $854 million to pay the interest on the national debt, I feel it is time that the Minister of Finance (Mr. Gordon) should set up a committee to probe deeply into the workings of our monetary system.

We will be called upon, in 1964, to amend the Bank Act. It seems to me that, at that time, it would be appropriate to approach the problem from a new angle to make of the Bank of Canada an institution that will really serve the Canadian parliament. When things have come to the point where we talk about paying interest amounting to $854 million, it seems to me that the Minister of Finance should give serious consideration, when the Bank Act is amended, to the possibility of using the Bank of Canada.

But no, it would seem this thing is sacred. When the accountants check public accounts, it is always that particular item which is the least discussed; the amount of the debt is computed, the percentage of interest is established, and the interest is paid on the obligations incurred by the issuing of bonds or by some other means of contracting a debt. The total amount of interest paid is so great that it is nearly twice the sum earmarked for social security.

Mr. Chairman, I suggest that when he prepares his next budget, the Minister of Finance should consider having the Bank Act amended so as to use the Bank of Canada to operate a complete conversion of the Canadian public debt, to avoid devoting most of the taxation revenues exclusively to the repayment of interests on the national debt.

We are not the only ones in this house to have recognized the need for putting into circulation, at some level or other, interest-free credits, or at least credits bearing but a small interest. Last fall, members of the N.D.P. admitted that it was necessary to find a formula for putting into circulation credits at a reduced rate of interest, in order to finance the development and the conversion of a public debt which has become such a heavy burden. I feel that this suggestion should be considered by the Minister of Finance.

To my mind, all our economists are inclined to become too technical and to forget hard facts. The Bank of Canada should be thought of as being an organization in the service of the Canadian parliament and of the Canadian people. In that way, instead of devoting such large amounts to the issuing of new bonds, the proceeds of which go partly to pay the interest on an outstanding debt, we could find a formula to put the Bank of Canada to the service of parliament and the nation as a whole.

Now, Mr. Chairman, with these few remarks, I would like to put on the official record table No. 13 of the 1962 Canada Year Book, published by the dominion bureau of statistics, but my hon. friends, the members of the house, perhaps would not allow me to read all these figures. However, I would like to put on the record some significant figures so that the numerous readers of *Hansard* may realize to what degree the national debt has become today an unbearable burden for the Canadian taxpayers.

If we consider carefully that table, we find that the interest on the debt has reached a more and more frightening level, now being close to $854 million.

We find that the total interest on the outstanding debt has increased from $432 million in 1952 to $756 million in 1961, which represents an increase of more than $300 million over a period of ten years.

I submit, Mr. Chairman, that if more people in the general public would read *Hansard*, they would know about all those figures, and I believe that we would all be more anxious then to amend our monetary policy.

[*Text*]

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Chairman, I realize that it would be a bold person who, at this particular juncture, would say very much so I will not take up much time of the committee. However, it seems to me that perhaps this is a suitable occasion to celebrate, shall we say the final obsequies of some rather unfortunate financial adventures which we have had over the past six to eight months.

I feel that one should not let this particular opportunity go by without making some comment on the attempts of our Minister of Finance to cope with a very serious problem which is facing Canada. His attempts were perhaps not very successful, but let us give him an "A" for his efforts to deal with the problem of the ownership of Canadian industry and resources. I do not think there is a member of this committee who does not

sympathize with the minister in his attempts to cope with this problem, although we may have had a rather sardonic entertainment out of watching him rush to one door to close it, and then rush to another door on the other side of the building to open it because of the problems created by shutting off the inflow of capital from abroad.

This is a serious problem which cannot be dismissed by pretending that it is not important to Canada. My only regret is that the minister was unable to achieve some more effective method of safeguarding Canada's economic, and I think eventually political, independence than he was able to achieve. I think the trouble perhaps lies in the context in which he attempted to do it, and that the only method of solving this problem is by a method which will be repugnant to the Minister of Finance and his colleagues; that is, a massive program of public investment.

For that reason I regret another angle of government financial policy in this regard, and that is the terms under which the portable pension plan has been set up. I feel that here was the opportunity to cope with two problems at once; one to provide suitable retirement allowances for the Canadian people, and the other to pool Canadian savings for investment to achieve this purpose of independence. I think that there are matters with which the government will have to deal within the next few years. I know of no other way to do it than by the method of heavy public investment, and I hope that before long we may be able to applaud the minister for following that policy.

There is one other matter I want to mention while on my feet, and I think this is also a serious problem for Canada. I have been a little disturbed in noting the results of the recent dominion-provincial conferences. It seems to me that the federal government has been coming perilously close to the danger line with regard to the relinquishing of fiscal authority in the hands of the central government. I may say that I was particularly disturbed at the acquiescence on the part of the federal authorities to the relinquishment of a great part of the succession duty imposts. Because it seems to me that if there was one field of our federal fiscal policy which should have been maintained it was the retention of that particular impost in the hands of the central government, both from the point of view of equity and from the point of view of financial management. From the point of view of equity I think there is no doubt that large estates in Canada are usually derived from investments throughout the whole of the country, and it is manifestly unfair to permit the province in which the testator happened to be living at the time of his death to reap all the taxation benefits from it. But I think that even more important is the whole general problem of the care the federal government must take to see that it retains in its own hands sufficient fiscal authority to enable it to embark on programs of economic expansion from which the provinces can benefit.

Also I suggest that if this process is allowed to go too far it will impair the ability of the federal government to manage the Canadian currency effectively. These are matters on which the federal government should stand firm and it should not allow other considerations to be brought into the picture. I have been concerned to notice the way in which these strictly economic questions have become involved with emotional considerations such as biculturalism, bilingualism and provincial rights. As one who has a great sympathy with our French speaking compatriots with regard to the concern they feel for their language and culture, I must still point out that these demands to establish complete provincial autonomy so as to support emotional considerations are fraught with great danger to Canadian confederation. I do hope that the minister and his colleagues will place this question firmly before, not only the province of Quebec, but my own province of British Columbia, which to my mind made much more separatist demands than did the province of Quebec itself. And the government of British Columbia had less excuse for doing so because the province of Quebec is subject to emotional considerations which operate in this field, whereas I regret to say in the case of the province of British Columbia and, to a lesser extent, the province of Ontario, it was sheer greed and selfishness and a dislike of sharing burdens of bringing the least fortunate parts of Canada up to the status of the three wealthiest provinces.

I would say the government has gone as far as it can safely go in acceding to the demands for autonomy which have been coming from the three largest provinces of the country, and I hope that all members of the House of Commons from whatever part of Canada they come will support the government in firmly resisting any further dangerous diminution of federal power in the fiscal field. These are the matters which I thought we should be considering and I hope the minister will come before us early in the new year with firm proposals which will, perhaps, be more successful than some of those presented in the past, and that he will bear these things in mind. We rely on the Minister of Finance perhaps most of all to

maintain a firm economy and a sound financial foundation for confederation. He should not allow himself to be swayed from that position by demands from different parts of Canada to balkanize the country under the guise of local autonomy, or even for ethnic or racial considerations. There is a price to be paid for maintaining Canada. It is not a price imposed by English speaking Canadians or by French speaking Canadians or by any province. It is a price imposed by federation itself. It is a price we cannot avoid paying without heading for the rocks of disintegration and balkanization.

Mr. Nowlan: I refrained from speaking on the first item, since the minister did not open on that. I thought it would be advisable to defer the few words I intend to say until somebody else has spoken. After all, I am in a position of having prepared these estimates. I can vouch for the fact that they are well and truly prepared. Undoubtedly, no better estimates were ever prepared than these.

The Christmas spirit prevents my discussing any administration of the items and it is obvious there is little I can say about the estimates themselves. I know there are editorial writers who may say it is unfortunate that parliament passes provisions for expenditures totalling hundreds of millions of dollars in such a short space of time, especially as these sums affect the whole economy of Canada, but I think these writers should be reminded that there have been many discussions concerned, directly and indirectly with these estimates of the Minister of Finance during past months. Aside from the speech from the throne there have been the budget, the budget resolutions, the resolutions preceding the income tax legislation, the income tax debates and all the others which have gone on for month after month.

There is a very popular word today; I think its original meaning has been confused. We hear a great deal about dialogue. It is an impressive term. I think there has been a widespread and fairly well developed dialogue with respect to the fiscal policies of the minister and the department during the past six or eight months. There is another word which is also in popular use today, the word consensus. I am not suggesting for a moment that there has been any great consensus as a result of the dialogue. Nevertheless, these things are in the course of discussion and, I hope, of fruition, and I do not see any point in discussing them at any length on this occasion. One could spend minutes or hours in discussing them, but I think most of the subjects which have arisen in connection with the hon. gentleman's policies regarding taxation, fiscal matters and the rest have been well debated in this house, in the press and in various organizations outside, both nationally and internationally and, frankly, I cannot see any great point in continuing at any length now.

After all, we can almost hear the sound of Christmas bells as the reindeer are harnessed, or as the jeep is prepared, and before we know it we shall be back here again. There will be another budget. The minister's policies will again be given careful scrutiny, and, this time, we shall have more experience of them. When another budget comes down, and I presume this will be fairly early in the fiscal year, it will be much more expedient to discuss these matters rather than to go into great detail at this time.

I agree with the previous speaker as to the necessity of maintaining the unity of Canada. I agree that the maintenance of Canada demands a price. We accepted that when Canada was formed. Our forefathers knew it, and it is well we should recognize it today. We have paid that price for almost a century and I am sure we will continue to do it.

There are one or two questions I might ask. When the minister does speak he might tell us whether any discussions are going on with respect to the renegotiations of the tax conventions, the one with the United States being probably the most important. We should like to know what stage these negotiations have reached. The hon. gentleman might also tell us about the progress of legislation in the United States affecting the so-called Kennedy tax measures which are somewhere in congress—I guess congress adjourned early this morning—and the probable effect of this legislation on the inflow of capital. The minister might have an opportunity to refer to these questions when he rises to reply.

Mr. Olson: As has been suggested, members of this party have had many opportunities to present their views with regard to the Department of Finance in the course of this session. It is apparent to members of the committee that we are particularly interested in these public debt charges, so I should like to ask a couple of questions about this particular item. We note that there will be an increase of $92,783,000 in the interest on the public debt in the 1963-64 fiscal year compared with the 1962-63 fiscal year. This changes total debt charges from $761,840,000 to $854,624,000. I should like the minister to give us the reasons for what appears to be a very large increase from one year to the next. We should like to know whether it has come about as a result of an increase in the total indebtedness or whether it is because of higher rates of interest on the national debt. Another reason could perhaps be that there has been some conversion from

bond issues of a lower yield. There is one more thing I should like to ask, and I am going to be very brief. Can we expect this kind of increase to occur again next year and in ensuing years into the future?

Mr. Peters: Mr. Chairman, as we face a new year I would make the suggestion to the Minister of Finance that he use discretion and generosity in the preparation of his new budget for 1964-65.

Item agreed to.

40a. Payments, computed in accordance with terms and conditions approved by the governor in council, to the government of each province, in respect of income tax paid by corporations whose main business is the distribution to or generation for distribution to the public of electrical energy, gas or steam; the said payments to be made in respect of such part of the income of the corporation for the taxation year ending in the calendar year 1961 (as determined under and for the purposes of the Income Tax Act) as is derived from the said distribution or generation in the province to which payment is made—to extend the purposes of this vote to authorize payments with respect to the taxation year 1960, $1.

Mr. Knowles: I wonder whether the minister has readily available a succinct and clear explanation of 40a?

Mr. Gordon: Mr. Chairman, I should like to reply later to one or two of the other questions that have been raised, but I will reply to this particular question now. This supplemental vote is to enable payments to the provinces to be made from vote No. 40 with respect to the prior taxation year 1960. Vote 40 of the 1963-64 main estimates had authorized payment to the provinces of the half share of income tax collected from certain privately owned public utility corporations with respect to the 1961 taxation year. The amount payable to the provinces as determined by the Department of National Revenue on March 29, 1963, amounted to $10,172,096. The amount provided in item 40 of the 1962-63 main estimates was $6½ million and the additional amount of $3½ million by governor general's warrants for a total of $10 million left a further amount of $172,996 unprovided for. That is what this is for.

Item agreed to.

71a. To authorize the governor in council to make regulations, providing for the extension of a retroactive increase in remuneration, payable out of the consolidated revenue fund and granted in the current and subsequent fiscal years, with an effective date of July 1, 1963 or later, in whole or in part and under such conditions as may be specified in the regulations, to all or any persons who would have benefited from the increase if it had been granted on the day to which it was made retroactive, notwithstanding that they would not be included in the class of persons who would have benefited from such increase if it had not been retroactive, and prescribing to what extent payments made by virtue hereof may be included in the calculation of pension, superannuation or other benefits under any act, and to authorize payments in the current and subsequent fiscal years in accordance with such regulations, $1.

Mr. Knowles: Mr. Chairman, I am sure the Minister of Finance expects me to speak on item 71a. What is more important, I should like to hear from him in a more humane way than he has yet dealt with the subject matter that I believe is covered by vote 71a. As I understand it, this is the vote under which authority is provided to make pay increases that were granted later retroactive to employees who were still in the public service, provided they were in the public service on July 1, 1963. Am I right so far?

Mr. Gordon: Yes.

Mr. Knowles: That is what this vote is all about. I want to say something about the application of this decision in the current situation, but I should like to go a step further and see if I understand this gobbledygook which is placed before us. Am I right in believing that this $1—one always has to look at these $1 votes more closely than at votes for several millions—also settles this question for the future in the sense that it provides for regulations to be made covering the same kind of situation if it happens again? Again may I ask the minister, am I understanding it correctly?

Mr. Gordon: Yes.

Mr. Knowles: In other words, if I may recapitulate, this $1 vote does two things. It makes the provision so far as the last increases were concerned that people now out of the public service can get the increase on a retroactive basis only if they were in service on July 1, 1963, and then it also lays down regulations for the future. I have more to say but I will be glad to hear from the minister now.

Mr. Gordon: I was just going to say, as I think I have said before in reply to questions from the hon. member, that the problem we were up against was to find some date from which this new approach would apply and, as I think I have explained before, there was an attempt made to make it retroactive but we did not know where it should be retroactive to. It was decided that it should apply from the 1st of July, 1963, but the hon. member's interpretation is correct.

Mr. Knowles: So far the minister and I are in agreement, but so far we have only been interpreting what the vote means. I want to say to him now that I think it is most unjust, inhuman, and all the other adjectives that one would throw in if he had the time, that the government has taken this decision with respect to those immediately affected. The result is that there are cases of

civil servants who in January, February or March of this year worked alongside each other, did exactly the same work, were classified in the same way and so on, but because one of them retired before July 1st he does not get the increased pay that was awarded retroactive to last October or whatever the date was. But the person who is still working or still in service gets the increased pay on a retroactive basis. In both cases the period under consideration is a period when both of these individuals to whom I am referring were working.

I think it is completely unfair to deny these increases retroactively to people who have since retired or may have left the service for any other reason. After all, it is not the fault of the civil servants concerned that the making of the increases was delayed so long. In this respect both governments are the same. They both took a long time to make the decisions with regard to these increases. I will give the government credit for making them retroactive once they made the increases.

Mr. Nowlan: It was not a very easy thing to do.

Mr. Knowles: I grant it was not an easy thing to reach a decision as to what the increases should be.

Mr. Gordon: I hope the hon. member is not suggesting the government took a long time to make this decision. We made it almost immediately.

Mr. Knowles: You mean the decision to make the effective date July 1?

Mr. Gordon: Well, that was not what I meant.

Mr. Knowles: I can remember that at least as long ago as last December I was asking the hon. member for Digby-Annapolis-Kings when he was over on the other side if this provision was not going to be made retroactive, and he was giving the matter consideration. The present Minister of Finance gave the matter consideration, and finally in June or July we got word that it was not possible to make it retroactive. I do not know who it was who talked to me about this just in ordinary conversation, but I know one of the arguments put up was that it was difficult to find some of these people. They have retired and left the service and in some cases have moved away. It would not be fair to pay some people and not to pay other people. Some of them might have died in the meantime. So the argument goes. My colleague, the hon. member for Burnaby-Coquitlam, says it would not be much trouble finding those who are still alive. If you put an ad in the newspaper that there was money available, people would turn up very quickly.

All facetiousness aside, it does seem to me that this is a grossly unfair decision to make, to cut out those people who have left the service from getting their increases on a retroactive basis. I have an uneasy feeling that they are looked upon as a group of people who are out now; they do not have any particular pressure to exert. They do not have any bargaining power that the civil servants have—which is not very much. I hope they will have more when they get collective barganing. These retired people are a group of has-beens. It is a case of their not being able to exert any particular pressure, so we cut them off. Out of sight out of mind. They do not get the increase.

As I say, I think it is a most unfair practice. The minister admitted several times on orders of the day that it was a problem which was being studied. I hope even yet the government will find a way to make these increases available to those people who have retired on a retroactive basis to cover the period when they were at work.

The other point I want to make, and perhaps it will lead to a question or two, relates to what the situation is going to be in the future. One always has to look at these $1 items and realize that we are not only making a decision for the present, but that we may be setting a precedent that will last for a long time. I recall that away back in 1932 the cabinet ministers received their motor car allowance, instead of a car and chauffeur, by means of an item in the estimates. This practice was followed until this year, for 31 years, on the basis of an item that was passed in the estimates of 1932. I say, therefore, we are settling for the future what is going to happen when increases are made. I should like to know what is going to be the retroactive period next time. I think the retroactive date for the last increases was October?

Mr. Gordon: No, it was July 1, 1961, if I remember correctly. They were taken up in groups and some were studied early but the last ones were October, 1962. If the principle which is being suggested were implemented, it would have to go back to July 1, 1961, I think.

Mr. Knowles: All right. Here are people who have money coming to them for as far back as, I would say in terms of justice, two years. They are being denied that and a cut-off date is being put into this vote. In addition, we are also, it would appear, making regulations for the future, covering the situation in the future. Is it the implication that people can go through this two-year cycle

because we go through the various groups, and be denied the increase, or is there any possibility that because this issue has been studied and talked about in the house, the regulation may be made in such a way that a decision could be made in advance to enable people who are leaving the service to receive increases made on a retroactive basis?

Mr. Gordon: That is the intention from July 1, 1963.

Mr. Knowles: That is, from here on?

Mr. Gordon: From here on, that will be the case.

Mr. Knowles: If a year from now increases are made which are retroactive to July 1, 1964, but they are not announced until January 1, 1965, the people who retire between July 1, 1964 and January 1, 1965 will get the retroactive pay for the period of time they worked in that interval?

Mr. Gordon: That is correct.

Mr. Knowles: Well, that is good. It certainly justifies, if it needed justification, the institution of questions on orders of the day. This question, in my time here, has seldom been discussed in debate but it has been discussed often by means of questions and answers on orders of the day. Apparently this process has caused the minister to think about it and come up with a solution to the problem for people in the public service from here on. Those now in the service are going to be delighted to get this news. If this situation occurs again, they will be looked after. However, this is cold comfort to those who left the service during the last two years. As a matter of fact, the people who have written me, and they have been many, are mainly those who have left since last October and who had two or three months of work during the time the increases were in effect. They did not get them. It is rather cold comfort for them to know that the government has found a way to cope with the matter in the future.

Mr. Gordon: It did not take the government all that time. These decisions were made within two or three months of the time the government took office. There was a very careful study made, as I indicated to the hon. member on orders of the day, to see what the problems would be if we made this retroactive. Now, I think the hon. member's original suggestion was that we should go back to October, 1962. I can assure him I looked into that very carefully. The difficulty was, why single out these particular people when the cyclical review had taken a couple of years to complete?

[Mr. Knowles.]

Now, I agree with him, if it could have been done without a great deal of difficulty; perhaps the answer would have been to have gone back to the beginning of this particular cyclical review which I recollect began in July, 1961. There were difficulties, which I have explained on previous occasions in doing that. It seemed to the government that the next best thing to fixing up these things back to the beginning was to at least make a good start from now on, and this was done. The announcement was made some time ago.

The only other thing I want to say is to assure my hon. friend that I think this makes it clear the principle he is advocating, and that I am just as much in favour of—I suspect —as he, will apply from this time forward. I agree with him that I have some reservation about seeing these $1 items in the estimates. When these particular acts come up for review, I should like to see this provision incorporated in them, so that they will be there and it will be clear to everybody where they stand. However, if we tried to open up all these acts now it would take a little longer, apparently, than we have between now and Christmas.

Mr. Knowles: I want to make it very clear that I am not detracting one bit from the genuine use of the word "good" that I offered a while ago when it became clear what the decision was in respect of the future. It is perfectly true that on several occasions on orders of the day the minister indicated that the problem was being studied, and I am even prepared to say the government deserves good marks if it comes up with a solution in two or three months; but I do not think the minister has given a satisfactory answer to cover the last full cycle.

The difficulty is that these people are now retired. Many of them retain a connection with civil service organizations and that sort of thing, but they are out of the picture, and somehow or another when people are out of the picture they do not seem to get the attention and consideration they seem to get while they are in the picture.

I congratulate the government on the decision made and I am glad the minister was able to say, without any ifs, ands or buts, that from here on any pay increase that is announced will go to all people who were working at the time the pay increase became effective, even if they retire a week or a month from that date.

Item agreed to.

85. **Government's share of surgical-medical insurance premiums determined in accordance with regulations made pursuant to vote 124, Appropriation Act No. 6, 1960, $8,500,000.**

Mr. Knowles: Before vote 85 carries I wonder if the minister would care to make a comment on the item which is just above it, even though it is a statutory item. Will consideration be given between now and next session to possible amendments to the Public Service Pension Adjustment Act along the lines requested by the civil service federation of Canada and other organizations?

Mr. Gordon: I am not in a position to give any assurance of that, but I can say that the superannuation act will have to be considered and probably adjusted when the Canada pension plan is introduced.

Mr. Knowles: The minister is aware of the problem and he will keep it on his mind?

Mr. Gordon: Yes.

Item agreed to.

95. **Institute of public administration of Canada, $6,000.**

Mr. Herridge: What is this organization, what is its membership composed of and why does it secure a grant from the federal government any more than, say, the barbers association or certified accountants association?

Mr. Gordon: I do not happen to be a member of the certified public accountants association or I might feel that remark had been directed to me. This particular organization was established to enable the civil servants of Canada at all levels to improve themselves and it was felt that a modest grant by the government of Canada would be a very useful investment.

Mr. Douglas: Several of the provinces also make grants.

Mr. Nowlan: It has been in existence for many years.

Mr. Gordon: I think the institute was started about 1948. If I recollect correctly, a very experienced and able civil servant from Saskatchewan is the president of the association and he has approached me to ask, not only that this grant be continued but that the federal government and all the provinces study the possibility of increasing the grants in the future. This matter is being considered by the government.

Mr. Herridge: I am not objecting to the grant, but I do hope the minister gives consideration to other groups who want grants to improve themselves.

Mr. Olson: I do not have any questions on this item, but I would like to know whether the minister is going to answer the questions I asked with regard to the debt charges.

Mr. Gordon: I would like first to refer to the remarks of the hon. member for Digby-Annapolis-Kings. As he pointed out, these are his estimates. He is a little more fullsome about their purposes and their contents than perhaps I could be, as they are not mine, but I do want to agree with him that they were well prepared and I have no hesitation in joining him in endorsing them and thanking the members of the committee for approving them.

With regard to the charges on the public debt, all I can say is that the total amount of the interest payable on the public debt depends on two things, the size of the debt and the current rate of interest. There is no way I know of that governments can incur deficits without increasing their debt. I have pointed out to a few people outside this house that this is one of the prices we inevitably must pay when we have deficits—and I think, as was so clearly stated the other day by the Minister of Justice on behalf of the Prime Minister, that there are times when we should have deficits. The net result is that the debt goes up and of course, the interest charges go up too.

As to the level of interest rates, as we all know it is controlled by a number of things, but one of the practical facts of life in this country is that if our interest rates are lower than those prevailing in other countries, there would be an outflow of funds which would be very damaging to the expansion of the country. The fact is that the debt has been going up and the interest bill has been going up proportionately.

Mr. Olson: This increase from the 1962-63 to the 1963-64 fiscal year is $92 million, somewhere between 12 per cent and 14 per cent, and certainly this is away out of proportion to the actual increase in the total debt. I am just wondering if there are some other reasons for it.

Mr. Gordon: The other factor, of course—and I think the supplementary question is very well taken—is that there have been a number of refundings of issues that were sold during the war years when interest rates were very low. They have had to be refunded at current interest rates, which are substantially higher. That would account for a big part of it.

I would like to say a brief word about the two points raised by the hon. member for Nanaimo-Cowichan-The Islands. He referred to the need in this country of taking steps to see that we control our own affairs and our own economy. I agree with him. I think he would agree with me when I say it is easier to say that than to do anything effective about it. I think the action that has been

taken will prove to be more effective in the years to come than some of the critics of these policies yet realize. The hon. member for Digby-Annapolis-Kings talked about dialogues and consensus and one thing and another. I am glad that somebody else is uncertain about this word "dialogue" that seems to be worked to death these days.

Mr. Nowlan: Hear, hear.

Mr. Gordon: I thought it had something to do with marital affairs, but apparently it has not. Anyway, let us leave it alone. I suppose that whenever new policies are introduced, and certainly new policies of the kind to which reference was made, there will always be differences of opinion, and strong differences of opinion. This has certainly been true in this particular case. Many people who were opposed to these policies have called me up lately and suggested they have come around to a different way of thinking. I am not suggesting this is by any means unanimous as yet, although I am hopeful that it may be at some time in the near future.

Mr. Nowlan: I have not called you yet.

Mr. Gordon: No, but you may. Another point raised was about the importance of the federal government retaining a position where it can influence the economy of the country and perform its clear responsibilities in this field. With regard to this I can only say that I agree completely with the hon. member. I have said this on many occasions publicly. I think we would all be very remiss if we allowed the federal government to become weak so that this country did become balkanized and there were no government left to give leadership. I certainly do not think this has happened and I do not believe it is going to happen.

The hon. member for Digby-Annapolis-Kings asked me two questions. The first was as to what steps were being taken respecting the renegotiation of certain tax treaties. We are having exchanges with the officials of the United States treasury now to set the time for detailed discussions of this matter. While I would hope these discussions might take place even before Christmas, I will be disappointed if they are not begun within the next couple of weeks. We are in communication with the United States treasury officials on the subject.

Mr. Nowlan: If we are not careful we will not get out of here before Christmas.

Mr. Gordon: I think on that note, Mr. Chairman, perhaps I will be excused from answering the other questions.

Item agreed to.

[Mr. Gordon.]

Mr. Douglas: Mr. Chairman, we still have the estimates of the Secretary of State and one item of northern affairs. I doubt that we could finish by seven o'clock or 7.30. I would suggest, therefore, that we rise for half an hour and come back at 6.40.

Mr. Pickersgill: Mr. Chairman, I very much appreciate the consideration of the hon. member for Burnaby-Coquitlam in accepting the half hour suggestion, and I hope it will be accepted by all. We could then come back in a relaxed mood. I am sure that every member of the committee has seen so much of my face and heard so much of my voice that they will not want to hear any more from me.

The Chairman: Is it agreed that we will suspend the sitting until twenty minutes before seven o'clock?

Some hon. Members: Agreed.

At nine minutes after six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 6.40 p.m.

SECRETARY OF STATE

The Chairman: House in committee of supply, estimates of the Secretary of State. Before we start discussing the estimates of this department may I suggest that we should go through the department itself, then to the different agencies, boards and commissions which come under the jurisdiction of the minister, leaving till the last the C.B.C. and the B.B.G., on which I assume there will be more discussion.

Mr. Scott: Mr. Chairman, I thought that we adopted the position with other departments that we had a fairly free-wheeling discussion on item 1 and then proceed to the individual branches and pass them rather quickly.

Mr. Pickersgill: Mr. Chairman, since this is not like other departments, and as these agencies have no relation whatever, apart from the Atlantic development board, to the department, it would certainly be much more agreeable to me if we took the Department of the Secretary of State, the Atlantic development board and then the agencies in order. Because there is not much relation between them.

Some hon. Members: Agreed.

Board of broadcast governors—

1. Salaries and other expenses, $349,800.

Mr. Nielsen: I will be as brief as I can, Mr. Chairman. The only method I have of

communicating with my constituents in the Yukon is through the medium of the C.B.C. I have no private radio stations to help me in the Yukon.

Mr. Pickersgill: I wonder whether the hon. gentleman's point which he is raising would not more properly be raised on the C.B.C. than on the B.B.G.?

Mr. Nielsen: I thought we were on the C.B.C.

Mr. Pickersgill: No, this is the B.B.G.

The Chairman: This is vote No. 1, board of broadcast governors.

Mr. Scott: Mr. Chairman, I should like to raise at this point a matter which has been receiving very widespread publicity in the Toronto newspapers, and I presume other similar news media, and that is the decision of the C.B.C. to convert the programs of radio station CJBC in Toronto from English speaking to French speaking. The reason I raise the matter under this item is that the suggestion I want to urge on the government is properly brought, I think, under this particular item of the board of broadcast governors. It is always difficult to talk of the C.B.C. because one does not like to be put into the category of attempting in any way to exercise political interference with a crown corporation. But at the same time this corporation has taken a decision and instituted a procedure in Toronto which appears to be widely opposed by a good many people. I think it is our duty as representatives of some of those people to raise this matter and to draw to the attention of the government the seriousness with which this move is being viewed in some very significant quarters in the city of Toronto. The background is well known to all and it has been set out in a release issued by Mr. R. C. Fraser who is a vice president of corporate affairs of the C.B.C. This document, released on September 20, traces the background of CJBC and its position in the C.B.C. national network and it outlines the reasons advanced by the corporation for the initial decision to carry French language broadcasts over CJBC. It also sets out reasons why the corporation has now reached a decision that by October of 1964 the station shall become completely French speaking. It is most unfortunate that this document was not published some considerable time ago. One of the difficulties, now, is that the C.B.C. has to some extent botched the whole job of public relations. I think there is a case to be made out for a French speaking station in the city of Toronto. All the statistics indicate that a fairly wide audience would be interested. But because, at the beginning, this was sprung on everybody without a good deal of advance preparation and public relations work, this matter is now being blown up into a great issue in the city.

I want to make it clear that as a representative of this party and of one of the Toronto constituencies I am not taking the position that French speaking or bilingual people should not have a station in the Toronto area. But station CJBC has built up a wide listening audience. It has developed a high calibre of programming and attracted the loyal allegiance of a large number of listeners—between 165,000 and 170,000, I think. Because of the manner in which this change has been announced by the C.B.C., the whole argument in its justification has become misunderstood. The most serious aspect of this situation is that many of us are coming to the conclusion, from work in our constituencies and surveys made, that there is growing in Toronto an increasingly widespread anti-Quebec feeling. This is a disturbing element, but it is a real one and it is easily perceived by anyone who tries to assess the feelings of his constituency. I recently completed a survey of my riding and the most significant thing about it, as the returns came back, was the growing anti-French sentiment. I think this arises because all that is being heard in English speaking Canada are the voices of the demagogues, the voices of the extremists—the people who are saying to English Canada: You must do this, or that, or it is the end of confederation. It is only because an extreme point of view is getting through to English Canada that this reaction is building up. But because of the way in which the C.B.C. is handling this matter, its decision to make this station French speaking is likely to be caught up in this anti-Quebec move which is developing, and I do not think we should permit this to happen. I do not think this is a decision about which we should make inflammatory speeches.

It may be that the case of the C.B.C. is unassailable. However, to date they have been unable to convince us that there is no other way of meeting the needs of the French speaking or bilingual people in Toronto. No satisfactory explanation has been given why we should be deprived of one of our largest and best English speaking stations. If an examination of the circumstances convinces everyone that there is no other technical solution which would provide a French program, then I think the C.B.C. would have a strong case, perhaps even an unassailable case. But this has not been done to date and the whole question has been so botched by the C.B.C. from a public relations point of view that

the public has not been convinced of the need for this change. They do not understand the issue or the reasoning behind it.

For these reasons I would urge upon the minister as strongly as I can the proposal that the board of broadcast governors should hold a hearing into this whole matter. The board should undertake to have this whole matter reviewed and to let the C.B.C. come forward and make its case over again—to bring forward all the technical information which the rest of us must have if we are to justify the change.

When this matter first came up on December 12, I placed a lengthy question on the order paper, question No. 1,868. Had I been able to secure answers to that question quickly I would have been in a position to discuss this subject with the dozens and dozens of people who are continually calling every week end, wanting to know why this change is being brought about. But because we do not have this information we are not in a position to discuss this issue in a rational way with our constituents. That is why I feel the only way of preventing this thing from blowing up into a major issue between English speaking and French speaking Canadians is to have the whole question reopened by the board of broadcast governors so that all of us who are interested may give and receive information. Then, perhaps, if there is more light, there may be less heat generated. I do not think this is a subject on which we should all get up on white horses and make inflammatory speeches. There is too much wild talk about it in the city of Toronto at the present time and I do not think any of us have the necessary technical information with which to deal with it.

We all recognize the legitimate desire of the bilingual and French people in our area to have a station of some kind, but many of us are convinced that there are other technical solutions possible. If the corporation can convince us that there are no other solutions they will have a strong case, but until then the whole issue will be misinterpreted and misunderstood. Already we are getting ridiculous inflammatory documents mailed to us. Some are so ridiculous one hesitates to make them public. But they are symptomatic of what I mentioned in the beginning, and this is a misunderstanding of French Canada that exists in the minds of a lot of English Canadians. This misunderstanding is growing day by day because the voices of reason and the voices of moderation are not being heard. All that is getting through are the wild, extreme statements, and this is stirring up our people. While we have heard a lot about the rights of the French people, I want to make a plea for the rights of the English. We want to understand the problems of the French Canadians. We want to be sympathetic to their needs in our area. But I plead with the government not to let this issue sit because it will not just sit still. It will get worse and worse. More inflammatory remarks will be made and misunderstanding will continue to grow.

I hope the minister will very seriously consider whatever approaches it is proper for him to make to have the board of broadcast governors announce soon that they intend to open up the whole matter and rehear it. As a matter of fact, this suggestion was made when the initial decision was made to have some programming. At that time Carlyle Allison, I believe, made the suggestion that there might be further hearings in the event the decision for French programming was taken very much farther, and I think the answer he got at that time was that there would be if the board desired. I think this is an appropriate case for the board to reopen the matter, so that those of us who are vitally interested in it can get all the necessary information that is needed and, more importantly, so that the English and French people in Toronto will understand each other's problems, try to meet each other's needs and get to understand each other's difficulties before this thing gets blown out of all proportion.

[*Translation*]

Mr. Perron: Mr. Chairman, I would simply like to make a few remarks on the subject discussed by the hon. member for Danforth (Mr. Scott). In my opinion one should refrain as much as possible from delivering inflammatory speeches on this subject, especially since everybody has been hoping for a few years that some tolerance would be shown to the different ethnic groups of the country.

Allow me to quote from a report of the C.B.C. which is self-explanatory and which has been reproduced in the newspapers today. On the front page of *Le Droit*, under the title: "The record of station CJBC", we find this:

> The broadcasting of French programs within the transmitting zone of CJBC is in the national interest and in keeping with the mandate entrusted to the C.B.C. by parliament.

This shows that the matter has not been under consideration only for the past week. The whole principle is almost in effect at present.

The article goes on to say:

> The C.B.C. has been considering for several years the means of providing this service, as recommended, besides, by the Fowler commission in 1957.

So, that problem was studied almost six years ago by the Fowler commission, which

looked into the problem of the C.B.C. and of French programs in other provinces than the province of Quebec.

It is neither intolerance nor extremism to quote those few remarks.

On page 2 of the same issue, one can read this:

> In August 1962, the C.B.C. requested from the board of broadcast governors, at a public hearing, "the authorization to have CJBC, its AM English radio station in Toronto, broadcast French programs on a full time basis."

It is not only since last week that Toronto citizens recognize the need of such a radio station.

Perhaps I could give here an example of comprehension on our part, since in Quebec city, radio station CKMI broadcasts a certain number of programs on the English network which is nearly equal to the programs broadcast by CFCM-TV on the French network. It gives the same number of broadcasts if we take into account the number of hours it is on the air, while the English people represent only 3 per cent of that population of 300,000.

According to the statistics, there are, I think, 167,000 possible listeners in the Toronto area, 63,000 of whom are French Canadians.

I do not think it is exaggerated to say that the people of Toronto will easily accept a French station. Indeed, there are as many tolerant people in Toronto as in the province of Quebec, people who accept the existence of the two major cultures. It is therefore possible to set up a station of the C.B.C.'s French network in Toronto, without going back on a decision which was taken by the B.B.G. after serious consideration.

In my opinion, the best thing to do would be to accept the decision of the C.B.C. and to ignore the extremists who are against a French station in Toronto.

[*Text*]

Mr. Nasserden: Mr. Chairman, there are a few remarks I should like to make on the C.B.C. estimates.

Mr. Pickersgill: We are on the B.B.G. at the moment. If it is the C.B.C., I wonder whether the hon. gentleman would wait.

Item agreed to.

Canadian Broadcasting Corporation—

1. Grant in respect of the net operating amount required to discharge the responsibilities of the national broadcasting service, $78,439,000.

Mr. Nielsen: Mr. Chairman, as I started to say on the wrong item, the C.B.C. is the only radio outlet in the Yukon and in the Northwest Territories and in order to get information to my constituents I have to use this medium of communication. There are no private radio stations there. The Broadcasting Act lays down guideposts for the making of political broadcasts over the C.B.C. Provision is made in the act for the broadcasting of communications of a political nature, whether by politicians or by newspapermen or by commentators. The routine for me and for my colleague, the member for the Northwest Territories, is to go to CBO in Ottawa and make a tape. That tape is then sent home to our constituencies and produced over the local network.

The regulations have always been such as to prohibit the production of political commentary of a partisan or controversial nature. How any politician or, indeed, any political commentator can say anything on the C.B.C. that is not controversial or of a partisan nature I do not know. I do not think it is possible. The issues of the day, the debates of the House of Commons, are all controversial. Otherwise our debates would not be debates.

On Thursday, December 12, just last week, I produced a tape at CBO at 10.45 in the morning. I was telephoned by one of the officials of the C.B.C. the following day but was not able to communicate with him again until December 17, five days later. At 4.30 p.m. I had a conversation with that official of the C.B.C. This was after I had received a letter from him dated December 17 and delivered to me by hand.

I am going to read the letter because it is important to the case I want to make, and the case I am going to make is to charge the C.B.C. with censorship of my broadcasts. One hon. member at the other end of the chamber said a moment ago it was a good thing that there should be no political interference with the C.B.C. With this I agree wholeheartedly. But conversely there should be no political interference by the C.B.C. with broadcasts which are made by commentators or members such as myself who have no other means of communicating with our constituents. The letter that was written to me on December 17 reads as follows:

> Dear Mr. Nielsen:
>
> I am writing you since we seem to have been unable to come together on the telephone. The matter I want to raise with you concerns the script of the report on the work of parliament which you recorded Friday last—

He is mistaken there, it was recorded on Thursday.

> —produced by Gordon Bruce, the senior public affairs producer in Ottawa and to be broadcast on the Whitehorse station CFWH.

He is mistaken there because it goes over the whole Yukon network which consists of more than simply the Whitehorse station:

> I felt it would be useful to talk to you as I think a confusion may have arisen about the purpose of the time provided over CFWH to report on the

work of the house to your constituents. Perhaps I might draw to your attention the relevant parts of the C.B.C.'s manual of policies and regulations concerning political and controversial broadcasting.

"The C.B.C. is prepared, if requested by a member of parliament or of a provincial legislature, to broadcast talks by him to his constituents on corporation stations which serve an area not covered by any privately-owned radio stations, under the following conditions:

(a) The talks will be reports on the work of parliament or the legislature and will not be partisan or controversial.

The first part of that statement of policy prohibits talks from being partisan or controversial. I ask you, Mr. Chairman, how a politician can say anything concerning the business of this house that is not controversial?

Mr. Byrne: It can be done, and it is done by the C.A.B.

Mr. Nielsen: If most of these debates are not controversial, then I am mistaken as to the purpose of debate. Surely, the placing of both sides of an issue before anyone is, in itself, an indication that the matter is controversial. If I am going to place before my constituents over the C.B.C. any matters that arise in this house, surely I should be allowed to state the position that is taken by one side. It might not be the position taken by the other side, but that is the whole purpose of debate, and that is why we are here.

Mr. Byrne: Let us hear your script.

Mr. Nielsen: I will read my script in just a moment. I intend to do that to indicate the absurdity of the regulations that are laid down in this manual. I can read from *Hansard* as long as I wish, so I can put this speech on *Hansard* and then go back to the C.B.C. and read it over the air. This, I cannot do at the moment and, so far as the C.B.C. is concerned I am censored out of existence.

The second part of the rule—I have just read the first part—is as follows:

They will be given only when parliament or the provincial legislature is sitting.

I made this broadcast on December 17, in time for the tape to be sent for my broadcast over the Yukon network before this parliament adjourned. I must, in fairness, give the C.B.C. credit here. They tried to communicate with me sooner, and I tried to call back, but the official in charge had gone to Montreal and I could not communicate with him until the Monday. The net result has been that I have been prevented from reporting to my constituents by the lapse of time.

Now, paragraph (f) of the C.B.C. manual states this:

(f) The producer of the program, whether in Ottawa or at a local C.B.C. station, will be responsible for seeing that the broadcast conforms with these policies. If in his opinion it does not, he will refer the script to the office of the regional director or, in the case of northern stations, to the director of northern services in Ottawa before putting it on the air.

The hon. member for Skeena has the same problem that I do, because he reaches the northern part of his constituency by a low powered relay station that is hooked into the Yukon network. The upshot of this whole matter is simply that the producer of my talk has referred it to the supervisor of public affairs in Ottawa. He winds up his letter with this sentence:

I think this should be as soon as possible—

That is getting together for a discussion of this matter.

—since I am not anxious to hold up the broadcast any longer than we must.

In speaking to the C.B.C. official, I was informed that the broadcast was not going to be sent along to Whitehorse because, in his opinion, it was controversial and partisan. I sent along to the C.B.C. and obtained a photostatic copy of my script, and this is what I am going to read tonight. I know that many members are not going to agree with what I am going to say because it is a debatable matter. Nobody on this side agrees with the things that are said on that side, and the same situation exists between the political parties in this house. We all have different views on subjects, and therefore those subjects are controversial. How on earth can they be anything else? This is what I said in my remarks to my constituents:

Once again, I am reporting to you from Ottawa on the activities of the House of Commons and my work on behalf of Yukoners everywhere. Much has happened since you last heard from me and my activities on your behalf have indeed been varied.

I am sure that you have all heard a good deal lately, by way of radio broadcasts, and that which you have read in your newspapers, a good deal about the operation of the House of Commons. There are some who have said that there has been obstruction of the government's legislative program and there are others who have said that the house is operating inefficiently, due to the slow speed with which various legislative measures are passed through parliament. I do not believe this since I believe debate to be a very necessary instrument for the preservation of our democracy. Without full debate, and without free debate, we would quickly become a government by dictatorship.

I am not so sure we have not, but I did not say anything about that.

Anyone who is close to the activities of the House of Commons would agree with that, and I need not leave my opinion unsupported. I believe the best authority that I could quote as to the truth of my own beliefs in this regard would be Mr. Pickersgill. Mr. Pickersgill, of course, is a Liberal member of the government, and is the Secretary of State in the cabinet. He was very active in debates when he was in opposition,

and he has said as recently as last November 29 precisely what I have stated concerning freedom of debate. In *Hansard*, on page 5268 for November 29, 1963, Mr. Pickersgill said this:

"So far as I am concerned, no one in the government has made any such allegation. Certainly, I have not, and I want to make that very clear. I have not made any such allegation at any time about the opposition. I think there has been a reasonable measure of co-operation."

And again, Mr. Pickersgill, on the same page of *Hansard* for November 29, said this:

"Perphaps the honourable gentleman will remember—and here perhaps I am breaking the rules myself by referring to the debate on redistribution the other day—that I am one of those who think there ought to be debate in parliament, and I do not regard debate as obstruction. I have not said and I have not thought that, taken by and large in this session of parliament, particularly since we met in September, there has been anything I would be inclined to describe as obstruction."

Even in Whitehorse, there have been references —and I can recall them appearing in one particular newspaper published in Whitehorse—that I have been rising to my feet too often in parliament. The particular newspaper if it can be called such to which I refer has certainly not been one of my ardent supporters and it seems rather puzzling to me that the editor of that newspaper would not want in fairness to his readers to publish statements such as that which I have just quoted by Mr. Pickersgill—not only supporting full and free debate in the House of Commons but also, frankly stating that there has been no obstruction by the opposition during this session.

I have also been criticized recently for saying too much in the House of Commons—for rising to my feet too often. Well, it seems to me that I would not be discharging my responsibilities to the people of the Yukon as their elected member of parliament, if I did not just as often as I possibly could rise and state the views of Yukoners, not only on those matters affecting our life in the Yukon, but also, on all those matters which affect our lives as Canadians generally. I do not believe that the people of the Yukon want a silent Sam sitting in parliament, saying nothing—doing nothing. It is time that the voice of the Yukon is heard and this the view that I have adopted ever since being elected your member in 1957. I have spoken just as often as I could and it is my intention to continue to express the views of the people of the Yukon with force and with frequency. There is, of course, the old adage that "the squeaking wheel gets the oil".

The most recent speech of any length which I have made in the house concerned the announcement by the Minister of National Defence with regard to the cut-backs being made in defence spending. I expressed views on the policy of the government with regard to national defence generally, and with regard to the cut-backs as they affect the Yukon specifically. I refer, of course, to the proposed changeover of the responsibility for the maintenance of the Alaska highway from the Department of National Defence to the Department of Public Works. I have stated before and I say again that, in the long run, I believe that this changeover will result in not only a more stable economy for the Yukon, but in time will result in the enlargement of our economy and in the growth of new businesses, which will grow up in order to serve the many requirements that the Department of Public Works will demand. D.P.W. will not be operating like the army has in the past in the maintenance operation with all sorts of various branches and divisions supporting the main task of highway maintenance, such branches and divisions being staffed and operated by the army. D.P.W. will be farming out many phases of the maintenance operation, thus causing the growth of new industries and businesses in the Yukon. This is a good thing but it will take time. The initial economic shock of losing the army pay roll will have to be absorbed, and there is no doubt in my mind that this can be done, even though certain hardships will be experienced until D.P.W. has the opportunity of infusing new capital into the economy of the Yukon by farming out their various requirements for goods and services in the maintenance operation.

Another matter to which I referred was the all weather maintenance of the Haines road which you know is to be done on an experimental basis this winter. I have said before and I do so again that it would be my hope that the experiment proves to be economic and that the feasibility of continuous all weather maintenance will become a reality. I am, however, disappointed that Canadian dollars are being paid to the government of Alaska for the maintenance of a Canadian road by the use of the United States equipment and labour. I have felt that Canadian dollars would more properly be spent in relieving the chronically heavy Canadian unemployment and in utilizing Canadian equipment. The argument is that it would cost more if we were to direct our efforts to this end, but surely it would be better to spend a few thousand dollars extra if we can put more Canadians to work, using Canadian equipment. However, the maintenance is on an experimental basis for this winter only and perhaps the government will have a change of heart and policy by using Canadian labour and equipment for next winter's operations. Certainly, that is what I am working toward and I have no fear that I will eventually be successful.

I have been extremely active in two committees in the House of Commons. These are the standing committees on privileges and elections, and on mines, forests and waters. The standing committee on privileges and elections is now considering amendments to the Canada Elections Act and the Canadian forces voting regulations. There have been several major changes which will be recommended by the committee to the House of Commons and I expect there will be full debate on all of these changes. The mines, forests and waters committee is now considering the two bills of the House of Commons which proposed the division of the Northwest Territories into two separate units. The western portion of the division would be called the MacKenzie territory and the eastern portion would be called the Nunassiaq territory. The purpose is stated to be that each of the territories would advance more rapidly toward self-government and it would improve administration of the Northwest Territories. These committees have not yet completed their work, but I expect they will do before the session ends.

There has been more interesting debate in the house in connection with patronage. Just yesterday it was suggested by Mr. Fisher, a member of the New Democratic party, that the House of Commons should refer the whole matter of the Post Office Department patronage to the committee on privileges, for the purpose of investigating the many, many charges that have been laid since the new Postmaster General took over—that patronage is running wild in his department.

Some hon. Members: Oh, oh.

Mr. Nielsen: I hear hon. members say oh, oh, but I can find many worse expressions

regarding this patronage on *Hansard* than any I made here in this talk of mine.

There appears to be every reason to believe that patronage is rampant in the Post Office Department since the new government took office.

Mr. Knowles: I would like to ask the hon. member this question. When he reads this speech over the radio on the basis of reading it out of *Hansard*, will he read all the interjections as well?

Mr. Nielsen: I could do this, because I am sure that the C.B.C. would not censor any omissions.

Some hon. Members: Shame.

Mr. Nielsen:

Another area in which patronage appears to be appearing once again is in the activities of the Department of Public Works.

This comes as a surprise to the minister because I did not speak on his estimates. I did not because I wanted to save the time of the house.

Some hon. Members: Oh, oh.

Mr. Nielsen: I did not speak on the estimates of the Department of Mines and Technical Survey, or on the estimates of every other department active in the north because I wanted to save time; but this is something that cannot be allowed to go unchallenged. I agree with the principle that there should be no political interference with the C.B.C., but the reverse holds true as well. There should be no C.B.C. interference on commentaries made by myself or other hon. members of the house.

Mr. Deschatelets: Go on with your bedtime story.

Mr. Nielsen: I will continue reading my bedtime story to the Minister of Public Works.

I had a question placed on the order paper which has recently been answered showing that since April 8, 1963, there have been 131 contracts let by the Department of Public Works concerning goods and services supplied for the government in the Yukon. Of these 131 contracts, 103 were awarded without public tender call. There may be reason for awarding one or two contracts involving smaller amounts for goods and services without calling for public tender but to award 103 out of 131 without public tender call seems to me to be beyond reason. Of these 103 contracts which were awarded without calling for public tenders, 69 of the contracts involve goods and services which were supplied by Yukon firms. Thrity three of these contracts involving well over $100,000 were awarded without public tender call to firms and individuals outside of the Yukon territory for goods and services to be supplied inside the Yukon territory. My position is this, that if public tenders were called for these contracts, the firms and individuals in the Yukon who could have supplied these goods and services would have at least had the opportunity to a competitive bid with those outside firms. My position is still that I believe this sort of precedure to be wrong and it should be rectified and I really don't care whether it went on under the last government or the previous government 20 years ago, or this government—the system is wrong and it should be rectified, and I will continue to work to that end.

It looks like this session of parliament will wind up its activities some time around the 20th of December. If the legislation has been completed by that time, the Prime Minister has said that there will be approximately a month's holiday but if the legislative program is not completed, the Prime Minister has said that it is his intention to call parliament back on December 27 to carry on until the work is completed. I think this is a proper approach and that since the job is full time, there can be no question about paying attention to completing the work before thinking of any holidays. It will result in my not being home for Christmas and also, perhaps, New Year's. It is my hope, however, that I will be able to get home at least for New Year's and for the first week or two in January to speak with as many Yukoners as I can. If I do not have the opportunity of personally wishing you a happy holiday season, I do so now, with my very best and sincere wishes for a warm and happy Christmas for all, and for a successful and prosperous new year.

[Mr. Nielsen.]

My point to the Secretary of State is how absurd it is, now that that speech is on *Hansard*, I can give it; but I was censored out of this speech by C.B.C. officials who put their own interpretation on these words as being partisan and controversial.

Mr. Nesbitt: They put their own interpretation on practically everything.

Mr. Pickersgill: Will the hon. gentleman let me ask him a question. Now that he has read it to us, would he give it?

Mr. Nielsen: I am prohibited from doing it now because parliament is going to pack up tonight, and the ruddy regulations say that I cannot make a speech on the radio after parliament packs up. I can only communicate with my constituents while parliament is sitting. I am not imputing any motive to the C.B.C. officials on this delay. I would not think of such a thing, but I remember how indignant the Secretary of State was a year or two ago when the Preview Commentary came off and he alleged political interference because of the discontinuance of that program. Let him now be just as indignant when the C.B.C. is preventing me from conveying fair comment on the debates in this house to my constituents. That is all that can be said about it. I think it is fair comment. The Secretary of State does not. In fact all the members sitting over there do not think that what is said on this side of the house is fair comment, but by George, when the day comes that we are prevented from expressing our views on debates over the radio, which is the only means for me to reach my constituents in the north, then we have come to a sorry pass indeed in Canada.

Mr. Pickersgill: I wonder would the hon. gentleman let me make a very brief comment on what he has said. This is of course a matter entirely within the jurisdiction of the C.B.C. and I did not know anything about it until I heard a rumour the day before yesterday that the hon. gentleman was going to raise this matter in debate. I then consulted the regulations of the C.B.C. and was rather surprised to discover something I had not known, and which would have been quite useful to me to have known when I was in opposition, namely that the C.B.C. was willing in these areas where there were no private stations to let members of parliament broadcast to their constituents. I could have used that in Gander and Grand Falls myself if I had known, but the hon. gentleman seems to be more alert and better informed than I was, and for that I give him full credit.

I am merely speaking here as another member of parliament, because I have no responsibility in this matter, when I say I think it is rather an invidious thing for an organization like the C.B.C. to attempt to censor the speeches of politicians or anybody else. They have an editorial function, of course. They have the responsibility under the laws of libel, and certain other laws, to scrutinize in advance what is read, and to make certain something obscene or illegal is not broadcast. I am not one of these people who are much worried about partisan speeches, even when made by my opponents. But I thought there was one point raised by the hon. member which made a great deal of sense. Perhaps the hon. member quoted me—I am not quite sure—

Mr. Nielsen: I did.

Mr. Pickersgill: —but he said something about "full debate and without free debate". It does seem to me that perhaps the board of broadcast governors should take a look at the regulations of the C.B.C. and give consideration to these remote areas where the private stations do not exist, where the C.B.C. is the only outlet and where therefore the service of broadcasting reports from parliament hill by the Canadian Association of Broadcasters, which is given to most of the rest of us, does not exist. I certainly would not want to see hon. members deprived of that privilege. I say that in these remote areas there should be an opportunity for the people to hear full and free debate. If only the elected member is to be heard, it does seem to me these people do not have much opportunity to get that full and free debate of which the hon. gentleman himself approves so much.

Perhaps the board of broadcast governors would look at this matter and see whether some arrangement could be made whereby various political views could be expressed in the area during the period of a session of parliament. I think that might be helpful. I am told that the C.A.B. are thinking of doing that. In the province in which I was elected, all the members are Liberal. I think it would be a good thing if we had some Conservative broadcasting in that area, because up to now—to put the matter on a low political plane—they have not made much impression. In Saskatchewan nobody is elected but supporters of the Leader of the Opposition. I think it would be a really good idea to have a little fresh air injected into that province.

I think the hon. gentleman may have done us all a service by raising this matter, and perhaps the board of broadcast governors, which under the Broadcasting Act has the jurisdiction, would look at these regulations and see that these reports from parliament hill give more than one point of view in all parts of Canada, including the Yukon.

Mr. Nielsen: Mr. Chairman, I should like to say just a brief word here. The board of broadcast governors has made provision for the situation described by the Secretary of State. I read from the most up to date copy I have of the "Political and Controversional Broadcasting Policies" of the board of broadcast governors issued by the authority of the board and as revised to March 1, 1960. On page 3 they say, amongst other things:

> The right to answer is inherent in the democratic doctrine of free speech.

I say, give it, for heaven's sake. Let the Liberal party in the Yukon and the Northwest Territories get sufficiently organized so they can answer. As the Secretary of State said, it would be like a breath of fresh air to have the other side of the story put before the people. I would ask the Secretary of State, when he is asking the board of broadcast governors and the C.B.C. to take this matter into consideration, to have them look at page 3 of this document, where they set out in such pious terms:

> The board does not exercise censorship.

I say, Mr. Chairman, that the treatment accorded to me, in good faith by the official concerned with it, is in effect censorship because I was prevented from making that broadcast to my constituents. Then this document says:

> It does not restrict the nature of material to be broadcast, except to see that such material conforms with its printed regulations.

How bureaucratic can regulations and interpretations get? Then it says:

> The policy of the board, with regard to controversial broadcasting, is based on the following principles:

1. The air belongs to the people, who are entitled to hear the principal points of view on all questions of importance.

The points I mentioned in my speech were certainly of importance, not only nationally but locally. Then we read this:

2. The air must not fall under the control of any individual or groups influenced by reason of their wealth or special position.

Not even the C.B.C. or their directorship. The third one I have already read:

The right to answer is inherent in the democratic doctrine of free speech.

Then:

4. Freedom of speech and the full interchange of opinion are among the principal safeguards of free institutions.

It seems to me that adopting the course which they did adopt, with all due respect to the bona fides of their position, was wrong. They should have allowed an answer to be made, if they thought it was controversial, but they should certainly not have prevented me from communicating, as I wished to do, with my constituents. The absurdity is apparent now. I could simply read this *Hansard*, if the session were continuing; but I cannot now because this session has almost finished. If there were still time I could go over there tomorrow, read the speech right out of *Hansard* and this would be within the law.

Mr. Pickersgill: Mr. Chairman, if I may make a suggestion to the hon. member for Yukon, it is this. This session will probably last for another couple of hours. Perhaps he could arrange for the C.B.C. to get over there quickly and have it recorded right away.

Mr. Nielsen: I am afraid, Mr. Chairman, the mails to the Yukon are not that quick.

Mr. Douglas: Mr. Chairman, the suggestions made by the Secretary of State are really accepted already in principle.

Mr. Pickersgill: They are, for national broadcasts.

Mr. Douglas: There are provincial affairs broadcasts, where the various parties are given time according to a formula to discuss provincial affairs. There is also The Nation's Business, in which program members elected to the federal parliament may discuss federal matters. It seems to me that the same principle could be applied equally to areas such as the Yukon and Skeena, and those remote places where the C.B.C. is the only means of reaching the public. In those areas time could be allocated under the same type of formula as is used for provincial affairs and The Nation's Business.

Mr. Pickersgill: That is exactly my view.

[Mr. Nielsen.]

[*Translation*]

Mr. Choquette: Mr. Chairman, I rise to claim the establishment, as soon as possible by the Canadian Broadcasting Corporation, of a French television station in the city of Quebec. It is, I believe, an imperative need, not to say an obviously urgent need.

The city of Quebec is pre-eminently the French city in Canada; it is the capital of the province of Quebec and, I believe, it would be most appropriate that the Canadian Broadcasting Corporation establish in that city a French television station.

In the city of Quebec, we have now two television stations, that is CKMI and CFCM, one of English language and the other of French language, evidently controlled and owned by private enterprise.

That is why I am of the opinion it is inconceivable to see the city of Quebec, the capital of the province of Quebec, not endowed with a station of the Canadian Broadcasting Corporation.

I remember that a few years ago, in this house, one of the most severe critics of the C.B.C. was none other than the former Conservative member for Roberval, Mr. Tremblay, who made the headlines lately in the Quebec newspapers for having said that the royal commission on biculturalism and bilingualism was a trap set for the French Canadians. It is this same Mr. Tremblay, the former Conservative member for Roberval, who says "no" to confederation.

Mr. Chairman, I do not know whether those remarks tally with those of the hon. member for Winnipeg South Centre (Mr. Churchill) or the views of the Conservative party, but I say this without bitterness, just to tease.

If we had a public French language television station in Quebec city, it seems to me that we could help promote unity and solidarity between all Canadians, and prevent people like Mr. Tremblay from making unfair, shocking and unfortunate remarks.

Mr. Chairman, in concluding I stress the immediate need for a French language television station in the city of Quebec.

[*Text*]

Mr. Pickersgill: I am told that this station is expected to be opened in September of 1964.

Mr. Cowan: Mr. Chairman and members of the House of Commons, I regret very, very much having to be here tonight and speaking on the 21st day of December. I realize that a modified form of closure is being applied and I am quite prepared to admit it. I have been a member of this house since a year ago last September. I have been anxious to speak on C.B.C. matters during that entire

time, but not once has there been an opportunity to express an opinion on the operation of the C.B.C., and I have been on the government side since April 22.

On Friday, December 13, the hon. member for Burnaby-Coquitlam rose in his place and quite correctly asked that a mistake in a news broadcast on the C.B.C. be corrected. He was given this answer by the spokesman in this house for the C.B.C., as reported at page 5802 of *Hansard*:

> If the Canadian Broadcasting Corporation made a mistake, that could be referred to in debate by any hon. member at any time—

I want to make the flat-footed statement in this committee that there has not been an opportunity to debate the C.B.C. since I entered this house in September of last year. The hon. member for Burnaby-Coquitlam was quite correct in what he was doing. He was simply trying to make a correction to a wrong news report. I have been associated with the news business long enough to know a wrong report when I see it; and for an accusation to be made that someone is trying to discipline or trying to censor the C.B.C. because an attempt is made to try and correct a mistake is beneath the dignity of all hon. members of this house. I resent the answer the hon. member received, and I wish to say so now.

My reason for rising to speak on the estimates of the C.B.C. is to inquire what we have hold of here. Is it a white elephant which we have to feed, or a cancer which feeds on us? Hon. members can take whichever simile they wish, because either is true. We are being asked here to vote the Canadian Broadcasting Corporation for the year 1963-64 the sum of $87,644,900. In the fiscal year 1959-60, which was four years ago, the estimates of the C.B.C. amounted to $69,641,975. In four years there has been an increase of $18,002,925, or 25.85 per cent. The expenses of the C.B.C. for which this government is responsible are up 25 per cent in four years, and unless somebody stops them the end is not yet.

I make the statement that I do not believe even the C.B.C. knows what is going on in the field of broadcasting. I happen to be the hon. member for York-Humber and I have an able Liberal colleague in the hon. member for York West, whom you all know as Mr. Leonard Kelly. We happen to be the only two members in the house who have what is generally known as "pay T.V." in our ridings in Toronto or, as it should be correctly called, "theatre in the home". Is "Red" Kelly or this hon. member ever asked for suggestions with regard to television? What do we know about television? We have about 5,000 theatres in the homes scattered about our ridings, and we are conceited enough to think that we do know a little about it. I should like to point out that I brought into Canada for the first time closed circuit television sporting events. I was promotion manager for the Toronto daily *Star*, and six years ago, maybe seven, I brought into Toronto at Loew's Uptown theatre closed circuit television of the world heavyweight boxing championship. I remember our concern as to whether or not it would take. But I learned then that closed circuit television in theatres was bound to be a success. For one thing, patrons do not have to go to the place where the game is being played or the sporting event takes place. They do not have parking troubles, and after the event is over, whether the event be in New York, Boston, Winnipeg or Vancouver, they are in their home town and can get home that same night.

I brought closed circuit theatre television to Toronto twice. The first time was the world championship heavyweight boxing match at Loew's Uptown theatre, on which occasion they had to call out the police to keep the people away from the doors. Seats sold at $6 each and there were a thousand men outside trying to get in. A year later another world's heavyweight championship was held, and we put it on closed circuit television at two theatres, Loew's Uptown and Loew's Downtown.

If anyone tries to criticize the $87 million expenditure of the C.B.C., heavens above, the corporation is defended like the sacred cows of India. We are told that we are interfering with the freedom of the press, with freedom of expression. We are told not to criticize the C.B.C. All my life I have been mixed up in this business of the freedom of the press. Freedom of the press consists of allowing a person to express his opinion on any matter of the day, provided the laws of libel and slander are not breached. But I submit this is not licence to go off to the sands of Algiers and make a film on the sand tracks in Algiers, or to go off to Patagonia to study the love habits of mice in the long grass. Is there no limit to the extent to which the C.B.C. send these safaris around the world, so they can come back to show us pictures which you can buy from any motion picture production house at one-tenth the cost? There has to be some discipline shown on these expenditures.

We have never been given an opportunity to discuss the C.B.C. estimates during the 20 months I have been in the house. I wonder how many members in the committee or people in the country realize that for 30 years the Canadian Pacific Railway Company and the Canadian National Railways have been carrying sound to the 195 radio stations

throughout Canada, but lost the contract to the Bell Telephone Company of Canada in the summer of 1961? It will interest hon. members to know that in Newfoundland the Canadian National Railways is the only medium by which sound can be provided to radio stations. In the Yukon and in the area from Grande Prairie to Whitehorse and the north the C.N.R. have the only lines available for the carriage of radio sound to the station connections up there.

Hon. members will be interested to learn I am certain that this is the first time this matter has been dragged out into the open, because you simply must not talk about the C.B.C. as it involves freedom of the press. In 1962 the contract ran out and bids were called for from the combined railways who had been providing this service, as I say, for 30 years. They were advised on August 18, 1961 that the railway contract would not be renewed. It had been picked up by the Bell Telephone Company of Canada. The two railway companies were somewhat surprised at this, and who can blame them? Here was the C.B.C., a government crown corporation, giving a contract to a private organization, although the Canadian National Railways is supposed to be government-owned. The Canadian Pacific Railway and Canadian National inquired into the matter and found that the bid of the Bell Telephone Company was approximately 25 per cent lower than they had been able to bid. All they had was their 30 years experience. Is the management of the Canadian National Railways and the management of the Canadian Pacific Railway so inefficient that they do not know their costs after 30 years experience? The Bell Telephone put in a tender which was 25 per cent lower than the tender of the railway companies.

I have a letter here under date August 30, 1961. You know, Mr. Chairman, how long it took me to get this letter from the government files. I tried to get it a year ago, but I was, shall I say, smiled upon and snickered at. I remember Mr. Halpenny, the secretary of state at the time, thinking it a great joke. The week before Christmas he asked me whether I would mind waiting a week so he could produce the letter, and I was so dumb he thought, I did not realize Christmas was the next week and I said that I had no objection. There was loud laughter in the house. This fall I tried to get the paper, and I got it last week. I knew what was in it before I got it, but I want to read the official government record. The letter was addressed to the Hon. Leon Balcer, Q.C., M.P., who was minister of transport, and it was signed by Mr. R. A. Emerson, for the chairman and president of the Canadian Pacific Railway Company and by Donald Gordon, chairman and president of Canadian National Railways. I want to read two paragraphs. The writers of the letters were, of course, upset at losing this contract to the Bell, and they write:

> Assuming that it is in the national interest to maintain competition in the communications industry, we think you will agree that such competition cannot be preserved if one group is permitted to quote depressed rates in the competitive situation and to obtain recompense through higher rates for other services.
>
> Public long distance telephone rates in Canada are 50 per cent or more above comparable rates in the United States which are regulated by the federal communications commission.

Hon. members will be interested to note that this was the answer which was received from Mr. Balcer:

> I have read the letter dated August 30 which you sent me jointly with the president of the Canadian National Railway dealing with the subject of transcontinental communications.
>
> I will be glad to see that the communication is brought to the attention of the appropriate officials in the department.
>
> I am sending a similar letter to the president of the C.N.R.
>
> Yours very truly,
> Leon Balcer.
>
> This is a carbon copy of the letter to Mr. Crump.

That was on September 8, 1961, and this is December 21, 1963. That is the last that the presidents of the C.N.R. and the C.P.R. heard about the situation where an organization comes in and, in a competitive situation, quotes a rate knowing it can recoup its losses on long distance or local calls. But the contract had been awarded to the Bell company. When they tendered on the prime contract they had to service Newfoundland and the Yukon—and there was only one organization which could do both, or either, and that was the C.N.R. Only after it was announced that the C.N.R. and C.P.R. would not have the contracts for the radio stations did the Bell Telephone Company go to the C.N.R. and ask them how much they would want for those territorial services. What kind of a situation is that, when the tenderer puts in a figure and has not even spoken to the subcontractors? Another thing: the Bell Telephone Company did not pay the C.N.R. for three months, but after I put my question on the order paper for the production of this letter last fall the Bell Telephone Company paid the C.N.R. within 72 hours. I think it was only a coincidence; I would not like to think I could influence a big organization like that. But the C.N.R. had been waiting for payment for three months and I put a question on the order paper and they got paid in three days. I would point out that the charges of the Bell Telephone Company are considered right now in our cost of living index month

by month, but we do not consider in the consumer index the cost of servicing 95 radio stations.

The entire television and radio world at the present time is in a ferment, and for any man to estimate what is likely to happen in the next few years without realizing that cable television and theatre television are here to stay is ridiculous. In the ridings of York-Humber and West York where we have theatre in the home we are fortunate, because we can pick up the away games of the Toronto Maple Leafs. You have to pay to have the picture come on, but you can watch the games in your own home. You pay $1.50 or $2, and four or five men get together and pay 50 cents each and they see the game.

Then we have cable television. My experience of that has been that up at Penetanguishene and Midland, where I have a summer home since 1938 it has been in operation for many years. In Guelph I have seen it in operation in the homes of friends. It gives a marvellously clear picture. I came down here last May and attended the annual meeting of the community antenna television association of Canada in the Chateau Laurier to try to pick up a few indications of the future of this marvellous entertainment possibility. Later, on June 4, I spent an entire day in Christ Church hall listening to the arguments on cable television. I think I was the only member of parliament who sat there from the opening of the day to the close of the discussions. There was an argument against cable television put forward in the hall and the sum and substance of it was that when people have cable television in their homes they are not looking at local television stations. The local television stations contend that it is not right for viewers to have freedom of choice of this kind; they should be content to take what is offered by the local stations.

A year ago the hon. member for Port Arthur placed a question on the order paper. I have a return here dated October 31, 1962. The hon. member was a little exercised at the time because football games were being shown in Port Arthur and the lakehead by cable T.V. while others with television sets were unable to get these programs for free. I suppose some of his constituents were worrying the life out of the hon. member for Port Arthur, wanting to know why the fellow who paid for his television on the cable system was able to see these football games. So he asked a question on this score. I made some inquiries with the people who own Lakehead Videon and they advised me that they did not have any intention of putting the games on Lakehead Videon, but the C.T.V. people were broadcasting these football games, sending them east and west. Since there was no outlet in Port Arthur or Fort William the manager of Lakehead Videon was smart; he consulted his principals and said: That game is going over my head; let us put it on cable T.V. in Port Arthur and Fort William and please the fans. The principals of the outfit said: That is okeydokey. And this Lakehead Videon concern pulled the game out of the air and the people who were paying $4.50 a month got what they were paying for. But the people who were not getting it for free were complaining to high heaven.

This system is bringing important hockey games to Toronto which are not available on free television broadcasts. In addition, theatre in the home is carrying these games in York-Humber and West York. We also have these games on closed circuit system in Toronto. It started in one theatre and developed a great following. That theatre has 1,200 seats and all the seats were sold out. So popular are these games that they are now being played before audiences in 11 different theatres including one in St. Catharines, one in Hamilton and one in Oshawa and the audiences are terrific. I mention this question of closed circuit games because, throughout Canada, there are remarks made by team owners who point out that free television is not going to be with the Canadian general public long. Mr. Stafford Smythe has made statements in the recent past that there will be no Saturday night television of the hockey games in Canada much longer. What a hue and cry there has been about that. One of our most childish radio commentators—I do not want to refer to him by name; I used to be associated with that paper—says: You can't do this to us. It is astonishing to me that the C.B.C. should make no effort to point out that these sporting functions are being picked up on the cheap, and that this situation is not going to last much longer.

I wonder how many directors of the C.B.C. are aware of a decision which was handed down in the British high court in the case of Eastham *v.* Newcastle United Football Club, Ltd. *et al.* Of course, now that I have raised this matter they will no doubt say they knew all about it and are making a study of the situation. This man Eastham is a world beating inside forward in a team in the British soccer league and he is a player who incurred the wrath of his management. He was an outstanding player on his soccer team and I guess the management did not like the way he parted his hair or, as Scott Young says in an article, maybe he was not saluting the coach and backchecking at the same time. They did not play him and this soccer player

Mr. Eastham did not like it because he was sitting on the bench, and under the regulations of the soccer league he could not talk to another soccer club.

There is no combine in the Canadian hockey world, I would have you know. There is no combine; there is no trust. I say to you there is only an agreement. But in England just recently this soccer player was not allowed to play for Newcastle United. He just sat on the bench because he was held under what is called the retention clause. Other clubs were willing to pay him more money to play for them since Newcastle was not using him, but Newcastle said: You are our property, do as you are told, sit on the bench.

So Mr. Eastham who, thank God, has a little more intelligence than his predecessors in the soccer world, decided to go to court. He took the Newcastle United Football Club Limited into court on the ground that he was being held in restraint of trade and could not offer his abilities to other teams. On July 4 Mr. Justice Wilberforce of the chancery division held that the action of the soccer club with regard to this player was in restraint of trade and that the player was entitled to make whatever deal he could with owners of other clubs, wherever he might wish to go.

There is another interesting point about the decision of Mr. Justice Wilberforce and hon. members will be interested in this. I am going to refer to page 144 of The All England Law Reports which I got out of the parliamentary library, it having been received by the library on September 5, 1963. From page 144 I read the following:

> The maximum weekly wage for a full time player is fixed at £20 during a playing season and £17 during the off season—and I repeat that I refer to the date of the writ—and there are fixed bonuses for television—

Hockey players, professional football players, professional baseball players, the jockeys who ride in the big races, and professional golfers are in a state of ferment at the present time. The most popular feature on television in the United States, Canada and Great Britain is sporting events but the players are not being recompensed a cent for performing on all the television screens throughout the country. We know that tremendous sums are paid to clubs in order that games may be televised, but this money does not seep down to the players.

The judgment of Mr. Justice Wilberforce in the British chancery division is important because I can assure hon. members that legal action is going to be taken in Canada and the United States in the not distant future by these unorganized professional athletes in hockey, baseball, football and golf and by the jockeys who ride the horses.

[Mr. Cowan.]

Mr. Nowlan: Marbles.

Mr. Cowan: They maintain they are entitled to payment for their service and the entertainment they provide in these various sporting events. There is a very interesting thing in the estimates of the Secretary of State. On pages 386 and 387 there is a vote, "copyright and industrial designs division including a contribution to the international office for the protection of literary and artistic works". Here we are making arrangements to pay for literary and artistic works that may be reproduced. We can all remember how people howled when ASCAP came into being and began to demand that radio stations should pay every time they played a record. You will remember how the radio stations raised particular Ned on that score, and said they had bought the record and therefore they could play it. The musicians maintained that the playing of the record robbed them of work because people were using records when they should have hired live musicians. ASCAP was formed, and since then a certain percentage of money is paid by radio stations and anybody else using records for public entertainment into a fund of the musicians protective union.

We have copyright laws to protect writers, we have ASCAP to protect musicians. I say that the professional athletes are entertaining and are entitled to the same protection. They are demanding that the games in which they play shall go on closed circuit television either to homes or to theatres.

It is all right to sit back and say that the world series turns a tremendous sum of money into the pension fund of the players. Here is this morning's *Globe and Mail* and on the front page we can read about the big football game to be played in Chicago on December 29 between the Chicago Bears and the New York Giants. In the second paragraph there is this statement:

> Pete Rozelle, N.F.L. commissioner, said yesterday the reasons for this included the smaller capacity of Wrigley field compared with Yankee stadium and the fact there will be a $450,000 slice from T.V.-radio receipts earmarked for the player pension fund—

Hon. members may sit back and say that $450,000 for the player pension fund is tremendous, but the players are not satisfied. They know that if there is closed circuit television throughout the United States and parts of Canada they will get more money for the players' pension fund by that means than they will ever get from the free television broadcasting of sporting events. I say that the C.B.C. should be inquiring into the remuneration of these players who are appearing on our television screens. A year ago I asked the government of the day how

much money they were going to pay the Grey cup players, because they ordered the players to perform on the C.B.C. network. I got a couple of very knowing smiles, the inference being that I was an ignorant boy who was new in the house, and I was given the answer that this was something I should take up with the C.B.C. I did not have time to take up the matter with the C.B.C. and I asked the question the second time. The C.B.C. had been ordered to broadcast the Grey cup game across the nation. The players in that game were going to entertain the millions of Canadians who look at the C.B.C. network stations, but the players were not getting any extra money from the C.B.C. for entertaining these millions of people.

These professional players are not dumb. We have a very good example of how smart they are in one who sits right in this house. Nobody can question his intelligence or mental capacity.

I have said before that if you start to speak about freedom of expression on the C.B.C. we are told, as was done to the hon. member for Burnaby-Coquitlam, that there can be no censorship, no discipline, not even when they make mistakes. This sacred cow or white elephant has got to be tethered and brought to time. I say to you that the O'Leary report is mixed up in this whole C.B.C. matter. Here we have $87 million being sought for the C.B.C. and questions are being asked: "What has happened to the O'Leary report?"

What about the O'Leary report? What are you going to do for our suffering magazines? I tell you that the magazines and newspapers are suffering because of the millions of dollars in advertising revenue that are being drained away from them by radio and television. There is talk about United States magazines such as *Reader's Digest* and *Time*, as though they were wrecking the Canadian publishing business. It is not *Reader's Digest* and *Time* that are wrecking the Canadian publishing business. It is the radio and television operations of the C.B.C. with its government subsidy of $87,644,900. The advertising rates that are set by an organization with a government subsidy of $87 million bear no relation to cost. Private television stations have to quote rates that bear some semblance to those quoted by the C.B.C. Newspapers and magazines in Canada have to quote rates that have to compete with the subsidized rates of the C.B.C. and the countervailing rates of private television. I can tell you the reason why our newspapers and magazines are in distress. It is because of the $87,644,900 that is being voted to the C.B.C. They should be out of the business.

The Chairman: Order. I regret that I must interrupt the hon. member but his time has expired.

Mr. Nowlan: Mr. Chairman, the hon. member has given us a great discourse about soccer players in England and marbles in Canada. We want him to know how much we appreciate it, because we want to hear from him what he thinks about the C.B.C. making CJBC a French station.

The Chairman: Has the hon. member unanimous consent to carry on?

Some hon. Members: Agreed.

Mr. Nesbitt: Mr. Chairman—

Mr. Pickersgill: Mr. Chairman, I hoped there would be a disposition to give the hon. member more time because he has not taken much time during the session.

Mr. Churchill: We want him to continue.

Mr. Howard: I wonder if I could just indicate, in relation to that latter remark by the Secretary of State, that we do not want to hear any more nonsense from him when other people speak in debates.

Mr. Nesbitt: I was willing to give the floor to the hon. member for York-Humber if we could get unanimous consent. However, I understood there was some objection from the group on my left.

Some hon. Members: No, no.

Mr. Pickersgill: I did not hear any objection from anyone.

Mr. Cowan: I wish to thank hon. members of the committee for their indulgence. I understand their interest in what I am saying and it indicates to me they would like to have heard some of these facts during the past eight months that this house has been in session. However, no opportunity was given to discuss C.B.C. matters. This is now December 21, and everybody wants to go home for Christmas. There are a few of us left here, enough to make a quorum, but we want to go home for Christmas too, the time at which we celebrate the birth of Christ. How many of you realize that three days after the birth of Christ, in some churches they celebrate the slaughter of the innocents? I might tell you that here we are being asked to vote $87,644,900, which certainly represents the slaughter of innocent taxpayers.

These taxpayers would not need to be subjected to this cost whatever, if the C.B.C. were out of the network business. They should be providing programs which could be leased to private firms for television stations, for cable television or for use in theatre organizations. In speaking on C.B.C. matters,

I make the statement that there should be an investigation of that organization to let them realize that the people who are paying the money have the right to call the tune, particularly in view of the situation which now exists where television sports spectaculars are going into theatres and such places by means of closed circuits.

I should like to find out a few things about this system. The hon. gentleman who used to report for the C.B.C. is in the house. I recall when he was appointed to that responsible position, and he advised that he did not own a television set. I thought that showed the good sense of the hon. member. I rather agree with the gentleman in the United States who referred to the wasteland of television. He wants to know my opinion about the conversion of the radio station in Toronto on October 1 next year to another language. I thought this was rather generally known, but I should like to say to you, sir, that I consider the C.B.C. a cancer on the body politic of Canada. Some of the work they are doing in Toronto right now is just another cell on that cancerous growth. We have to stop it soon, and we should stop it right now. There should be a rigid investigation of the C.B.C. I do not believe the minister who reports for the C.B.C. in this house should stand up and say:

> I do not think that anyone in this house of any party would seriously argue that there should be allowed to take place any development that it is within the power of this parliament to control or to legislate about, which would indirectly undermine what has over a period of 40 years—indeed ever since the beginning of broadcasting, or licensed broadcasting, assumed any real importance in our community life—been regarded as a matter of national importance, a matter perhaps affecting the very existence of our country as a separate entity.

An hon. Member: Who said that?

Mr. Cowan: I am quoting the hon. member for Bonavista-Twillingate, as reported on page 5279 of *Hansard* for November 29, 1963. I might point out that no reference is made there to the newspapers and magazines that have gone out of business in the last 30 years as a result of radio and television taking the advertising from them. It was the newspapers and magazines that built this nation and provided the cohesion that there is today. Nobody worried about the newspapers. We had the freedom of the press, and we paid the bills. However, the C.B.C. has the freedom of the press and we pay the bills. There is a hell of a big difference between having freedom of the press and paying your own bills and having freedom of the press and having someone else pay your bills. The action taken in Toronto within the last few days is just another indication of the rotten cancer that is on this body politic of Canada, and the sooner it is investigated right to the bottom, the better.

Mr. Nasserden: Mr. Chairman, taking a look at the clock and the calendar I find that there is not too much time allowed for a discussion of these particular estimates tonight. I should like, first of all, to extend my sympathy to the hon. member for York-Humber because the actions of the Secretary of State, as house leader, have denied him the privilege of dealing with this matter before today.

I believe that the parliament of Canada gave the C.B.C. a great responsibility when that organization was established in the first instance. During the past several years, I believe C.B.C. programming has become a monstrosity, threatening the moral and cultural fibre of this nation. The influence of the United States has left its mark on the C.B.C., and it is no secret that the present management of the C.B.C. has succumbed to that influence. The result has been to accelerate the destruction of Canadian culture and values as separate and identifiable elements in world civilization. The C.B.C. is, in great measure, responsible for the relaxation which denies any responsibility to its original purposes and objectives. I believe the time has come when a real shakeup in the C.B.C. is essential, if we are to salvage anything of value to Canadian institutions and to Canadian culture.

I do not intend to utilize this opportunity tonight to document the degradation and the accompanying dangers that the present trend will undoubtedly visit upon our nation. However, I want to read a letter, which is one of many I have received from my constituents, which indicates something of what I hear as I am going across this country from time to time. The letter reads:

> Dear Sir:
>
> This is a protest against the C.B.C. plays that have been presented on television these past two years. Some are nothing but unadulterated filth and a direct waste of taxpayers money. As a mother I refuse to let any such media into our home, and find that anyone I have spoken to feels precisely the same.
>
> Hoping you will exert whatever influence is necessary to stop this waste.

I ask the management and staff of the C.B.C. to take a look at letters of that type and then take a look at the kind of programming they have developed for the C.B.C. They should ask themselves whether they have been doing anything to enrich the culture of this nation.

Mr. Prittie: Mr. Chairman, I do not want these estimates to pass without a word on the other side. After all this "hate the C.B.C.

talk", and talk of a cancer on the nation, the hon. member for Rosthern wonders what the C.B.C. has done for entertainment and for the cultural activities of this country. I will say it has done a great deal more than many of the networks in the United States which are privately owned. Last night hon. members appointed themselves as a group of art critics and tonight we are appointing ourselves as a committee of censors of the Canadian Broadcasting Corporation.

I would remind hon. members that, by and large, the C.B.C. is doing a good job. The Canadian Federation of Agriculture, the Canadian Labour Congress and many other groups support the idea of the C.B.C., and feel that it should carry on as it is at the present time. The minister, I believe, need not pay too much attention to the complaints that are heard occasionally from the Conservative party and the conservative Liberals.

Mr. Regan: My remarks will be very short and I am sure they will not be in any manner controversial. Having derived my livelihood from the broadcasting business for some years before I entered the practice of law, I have a keen interest in the operations of the C.B.C. and broadcasting in general. While I worked in private radio, nevertheless I feel that the knowledge I picked up there helps me to appreciate the very important role that the C.B.C. has played, and today plays in the development of the national life and the culture of the country.

I have had the opportunity, as most hon. members have had, of observing both television and radio in other countries, and on that standard alone I think the C.B.C. shapes up very well indeed. I think the most significant thing we must remember with regard to the C.B.C. is that, had we not had it in the early years, and in later years in television, had we not had this national organization broadcasting in Canada and seen to it that there was included in the broadcasts matters of cultural interest, and matters for which sponsors could not be found, then our subservience to American culture would be very much greater than it has been.

In my opinion the C.B.C. is independent, imaginative, progressive, active and sometimes controversial. I admit it often puts on programs with which I personally disagree, but I would hate to see its independence taken away, and I think that any organization to be successful in this sort of business is bound to be very controversial sometimes.

I would agree with the hon. member for Danforth that its public relations branch somehow broke down rather badly with regard to the switching over from English to French of the radio station in the Toronto area, because the full story of that should have been put before the public at an early date. I just want to make two or three remarks of a regional nature, but before doing so I should like to make reference to the remarks made earlier in favour of closed circuit television. I do not know much about this pay television, but I do hope that in the rural areas of Canada, which probably will never be supplied with this type of television, people will still be able to watch such things as hockey games on C.B.C. television, involving the Montreal Canadiens, the Boston Bruins, Chicago Black Hawks, Detroit Red Wings and the New York Rangers.

The C.B.C. organization or branch in the Halifax area is capable of producing programs for television and radio of a very superior type. Some of these are shown on national television, such as the Don Messer show and King Fisher Cove, both excellent programs, and I thank the C.B.C. for the efforts it has made in developing branches in cities all across the country capable of producing programs of this type.

Before resuming my seat, I want to refer to one specific radio program carried over the maritime radio network which I think has merit to be included on the national network. I would urge the C.B.C. to consider the possibility of having the half hour show At the Opera, with David Murray, which is now broadcast on the maritime network on Thursday mornings, placed on the full Canadian network. This man David Murray not only has an excellent program but he shows excellent selection in his music, and includes a knowledgeable commentary of the proper length. In conclusion I only want to say I feel the C.B.C. has made, and I hope in the future will continue to make, a very valuable contribution in the development of a national culture across this nation.

Mr. Nesbitt: I shall just make one brief remark, although I have quite a number of remarks to make about the C.B.C. In fact, I have a nice long speech, not exactly in the same vein as the hon. member for York-Humber. I do not intend to deliver it this evening but I will on another occasion.

I do not think there are many members of the committee who really object to the C.B.C. as an institution. I for one think the C.B.C. as an institution is an excellent thing for Canada, but like the hon. member for York-Humber, I think there are a number of fields in which it needs rather severe checking up. However, the chief complaint most people have about the C.B.C., most of the people I have talked to, is in the field of public affairs programs.

We all agree there should be no political interference with the C.B.C. from this institution, but likewise I do not think there should be any political interference in the public affairs programs from within the C.B.C. itself, and I am not at all convinced that does not take place. There should be a very careful scrutiny made of it, and some arrangement arrived at to see that it does not take place. I am not going to say any more at the present time.

I have some very well documented remarks which I intend to deliver at a later date, but I hope between now and then the officials of the C.B.C., and those responsible, will take a very careful look at the selection of some of the political commentators, and also at the presentation of the news, a matter which was brought up by the hon. member for Burnaby-Coquitlam the other evening, so that there will not be a twisting or slanting of the news, such as has been going on in an accelerated manner recently. I hope a word to the wise will be sufficient, and that it will not be necessary to bring this up again.

Mr. Herridge: I just simply wish to make a brief comment, a passing reference to a regional difficulty, and one suggestion. I am very happy in representing a riding that is very fond of the C.B.C. generally. My trouble is getting enough C.B.C. service to various isolated points in the riding. I am one who appreciates the C.B.C. and believes in defending its independence. I always admired the former minister of national revenue, the hon. member for Digby-Annapolis-Kings, when he defended the independence of the C.B.C., sometimes under pressure from members of his own party. I shall never forget his rising on two or three occasions to defend the independence of the C.B.C.

In the area around Kootenay lake there are large numbers of people, relatively large for an isolated area, who are anxious to get C.B.C. service through a satellite station. They have repeatedly taken up this matter, and so have a lot of people in the Castlegar area, and they are disturbed over the delay in providing a satellite station. I understand this delay is occasioned by some difficulty with the provincial government in obtaining the site required for the station. There have also been representations recently from the Fruitvale district and the Montrose district, all wanting a satellite station, and I mention this to show the rate of demand for C.B.C. service in the area I represent.

Many of these people do not understand why they cannot get service immediately. This is what I rise to suggest. I think the C.B.C. does fall down in some respects with its public relations. Like the hon. member for Halifax (Mr. Regan), I think sometimes its public relations are poor, not only with respect to programming and things of that type, but also with respect to policies and the priorities for the installation of satellite stations.

I suggest the C.B.C. would be well advised to publish their policy with respect to the installation of satellite stations and the priority given to population, density of population and things of that sort, so that persons will understand they are not being discriminated against, that their case is being considered; and when it comes up for review they will know the order of priority in which it will receive attention. This is something that should be considered in regard to the delay in providing services to the people in the isolated districts. I do think they should receive every consideration, because these people are producing revenue for this country in the work they are carrying out, and they are making a contribution to our economy. The C.B.C. possibly means a great deal more to them than it does to people in the larger centres who have other fields of entertainment, news broadcasts and other facilities.

Mr. Barnett: Mr. Chairman, like the hon. member for Kootenay West I represent a constituency where people who have not the advantages of the C.B.C. service are clamouring for extension. However, I shall not attempt to go into the details of that question at this hour. I sought to catch your eye, Mr. Chairman, because the hon. member for York-Humber raised the question as to whether we were exporting any broadcasting stations from Canada. I would like to inform him and the committee generally that when I was in Malaysia this fall I heard very high praise indeed for the work being done by some of our C.B.C. technicians in assisting the Malaysians to establish their television system. This system, I might also point out, is being modelled very closely on that of the Canadian Broadcasting Corporation and the British Broadcasting Corporation.

[*Translation*]

Mr. Ricard: Mr. Chairman, I hesitate somewhat to make certain comments on the estimates now before us, but I cannot leave unchallenged the statement made by the hon. member for Danforth (Mr. Scott) as well as those made both in this house and outside by the hon. member for York-Humber (Mr. Cowan).

Furthermore, certain remarks made by the Secretary of State (Mr. Pickersgill) lead me to put certain facts on the official record.

The hon. member for Danforth deplored the fact that French speaking Canadians in

Toronto are getting a French radio station and he proposed that a full inquiry be held on this question. What surprises me, however, Mr. Chairman—

[*Text*]

Mr. Scott: I rise on a question of personal privilege, Mr. Chairman. I know the hon. member wants to be fair. I do not think anything I said deplored the request or the need of the French speaking people in Toronto for a radio outlet. Quite the contrary; I was most emphatic in reaffirming their rights. All I was trying to point out was that we are not convinced this is the best way to serve what may be a very legitimate and laudable purpose.

Mr. Ricard: Mr. Chairman, I think I was stating the position in perhaps a less controversial way than it was put by the hon. member.

Some hon. Members: No.

Mr. Scott: On a question of privilege, Mr. Chairman, we should not continue with the sort of one-sided presentation of these difficulties that we are experiencing. All the hon. member is doing with this one-sided, prejudiced view is making the whole problem twice as difficult to solve.

Some hon. Members: Hear, hear.

Mr. Ricard: Well, Mr. Chairman—

The Deputy Chairman: Order. I think the hon. member for Danforth has given a fair explanation to the hon. member for St. Hyacinthe-Bagot, and I am sure he will be willing to accept that explanation.

An hon. Member: Withdraw.

Mr. Ricard: I have nothing to withdraw, Mr. Chairman, because I am just expressing my own opinion. I think I have as much right to my opinion as the hon. member who made that remark from his seat.

[*Translation*]

Mr. Chairman, the hon. member for Danforth did not, for instance, request that an investigation be made when a permit was refused for the operation of a French language radio station in the city of Ottawa. If the hon. member for Danforth was so anxious to see the French speaking Canadians get a fair deal, he should, at that time, have made the remarks we heard from him today.

I am taking part in this debate mostly on account of the mitigated statements made by the hon. member for York-Humber, more particularly those he made outside the house.

As I said before, I wish also to talk about some remarks made by the Secretary of State. As reported in *Le Devoir* of December 20, 1963, the Secretary of State said:

In Ottawa, the Secretary of State (Mr. Pickersgill) refused to say in the house whether or not the Liberal members from the Toronto area had made representations to the government to the effect that CJBC should not become a French language station. The minister had just stated that such representations had been made to him verbally.

Mr. Chairman, those remarks of the Secretary of State prove without any doubt that there is conflict of opinions and that there is opposition, even within the ranks of the Liberal party, to the granting of a French language station to the people of Toronto.

Mr. Chairman, this brings me to tell you and my hon. friends in the house that I am surprised to see that the Prime Minister (Mr. Pearson), who claims he wants to promote the cause of biculturalism in the country, was not able to convince his own supporters of the necessity of the French fact. If we consider the behaviour of certain influential members of the cabinet, it would seem in fact that they took actions that were prejudicial to the ethnic group to which I belong.

How can we explain the refusal of the Minister of Transport (Mr. McIlraith) to grant a licence for the operation of a private French language station in Ottawa, when that licence had been granted by the B.B.G.

Why, this ill-will?

[*Text*]

An hon. Member: A controversial opinion.

Mr. Pickersgill: Mr. Chairman, I do not think I have raised a point of order yet in the whole course of the consideration of the estimates. But it does not seem to me quite reasonable that the hon. gentleman, who had a perfect opportunity to raise this matter when the estimates of the Minister of Transport were before the committee, should raise it now. This matter has nothing at all to do with the C.B.C., which the committee is discussing at this time under my estimates. The Minister of Transport is not even in the chamber. I do think there should be a little reason in this matter. If the hon. gentleman wants to complain about me, let him complain to his heart's content; but if he wants to discuss the conduct of the Minister of Transport, that should have been done when the estimates of the minister were under consideration.

Some hon. Members: Hear, hear.

Mr. Ricard: Mr. Chairman, with due respect to the opinion the Secretary of State has just given, I think I am in order since permits for the exploitation of radio stations come under the jurisdiction of the Minister of Transport.

Mr. Pickersgill: But the minister's estimates are not before the committee now.

Mr. Ricard: Also, I cannot dissociate my remarks from what the Minister of Transport said. But if the Secretary of State wants me to end my remarks because the Minister of Transport is not in the house, I am willing to do so in the spirit of Christmas.

[*Translation*]

Mr. Chairman, with more particular reference to the C.B.C., I must say that for once, in this matter of station CJBC in Toronto, the C.B.C. has taken a stand that is all to its credit. Contrary to my hon. friend for York-Humber and some of his colleagues on that side of the house who deeply regret the position taken by the C.B.C., I can only commend its officers for the action they have taken.

Mr. Chairman, I would be the last person to prevent English speaking Canadians in Quebec from having a radio station in their own language. I am sure to express here the opinion and the feelings of my compatriots in the province of Quebec when I say they would be willing to take measures of elementary justice for the minorities in the province as they do in the field of education, and as the C.B.C. has given us an example.

I am amazed that not one Liberal member from the province of Quebec saw fit to rise and support the decision taken by C.B.C. concerning CJBC station. It is true that the hon. member for Lotbiniere (Mr. Choquette) rose to ask whether a former Conservative member represented the opinion of that party in the house, but if I wanted to be sarcastic and if you gave me permission, I would ask him immediately if he was expressing the views and especially the opinion of his compatriots and colleagues in the Liberal party when he said that Canada should not be governed by a foreign queen.

Those are the few remarks I had to make. Before resuming my seat, I should like to say that we had to wait for the Conservative party to come to power, after 22 years of Liberal administration, to restore effectively some rights which were ignored by those who nowadays claim all over the place to be the champions of human liberties.

[*Text*]

Mr. Cowan: Mr. Chairman, on a question of privilege, the hon. member for St. Hyacinthe-Bagot has just claimed that I deplored the introduction of the French tongue into the radio world of Toronto. I do not deplore the introduction of the French tongue into the radio world of Toronto. I have a married daughter who lives in Quebec city and I visit her frequently. I stated that I deplored the conversion of CJBC from English speaking to French speaking. I stated that French should have the same opportunity to run a private station in Toronto which would broadcast in French in the same way as the English station in Quebec city is owned by English people and broadcasts in English. But I did not deplore the introduction of French to Toronto.

Mr. Nowlan: Before the minister finalizes discussion on these estimates, I should like to say that I have sympathy with him because from time to time I sat where he is now sitting and listened to some of the criticisms, some warranted, some unwarranted, some abusive, of the Canadian Broadcasting Corporation. I do not have to apologize for the fact that I am one of those who have a tremendous respect and admiration for the corporation. I know it has made its share of mistakes, as have all organizations. But it is a corporation of which all Canadians can be proud and without which we would have much more difficulty in maintaining the unity in the country which is essential.

I am not going to make a speech, but I want to ask a minor question to preserve this unity. I am somewhat dismayed when I hear the seven o'clock news. This is a very picayune point I am making amongst all the other weighty matters which have been discussed, but it is one in which the minister is interested, coming from the easternmost province of Canada. I am somewhat irritated at night when listening to the news broadcast at seven o'clock. We find out what the weather is in Ontario. We find out what the weather is in Quebec. We find out what the weather is in Louisiana and what the temperature is in Texas. We know what is going on in Florida and we know whether they are skiing, or whatever it is, in British Columbia. But the announcer jumps from Montreal to Newfoundland and never one word about the maritime provinces.

I do not have to emphasize to this committee that there are several maritimers living in and around this area of, shall we say, upper Canada. Without the maritimers we would never have had an upper Canada. I am not criticizing the minister for this because I raised the matter, though in a very low voice, when I sat in his place. I was defending the C.B.C. from so many attacks at that time that I did not very well have the opportunity to urge my own problems. Now, being an independent observer, I am asking the minister whether he will emphasize to his officials of the C.B.C., casually at any rate, that they tell us whether there is sunshine in Halifax or thunder in Saint John, or what the situation is, as well as telling us what is going on in Tennessee and Louisiana.

Mr. Pickersgill: I can tell the hon. gentleman that it was snowing this morning in Digby-Annapolis-Kings, because I happened

to be talking to someone on the telephone and inquired. I might say it was also snowing in Yarmouth. I do not know whether it was at seven o'clock this evening. I am speaking just as one elected member of parliament when I say quite non-politically that I think this is a deplorable failure on the part of the C.B.C. I join with the hon. member for Digby-Annapolis-Kings in a non-partisan assault on this deficiency—if you can assault a deficiency—in the C.B.C.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Chairman, I have one question I should like to ask the minister, if I may, if now is the time to do so. I should have got it in before but I allowed vote 15 to pass. Could he tell us whether the interpreter staff is included with the translation staff in the increase in salary which he mentioned earlier today?

Mr. Pickersgill: As long as this is not regarded as a precedent, because I do not think the C.B.C. estimates have passed yet, I can tell the hon. member that they are included, I am glad to say. Perhaps I might even give one bit of gratuitous information. Thanks to a number of questions which have been asked in the house during the session I get a steady stream of letters now from people who want to be both interpreters and translators. I am sending them on, not to the C.B.C. but to the civil service commission, and I hope they are all as well qualified as they seem to be.

Mr. Peters: Could the minister indicate the size of the increase?

Mr. Pickersgill: Thanks to my parliamentary secretary, the Minister of Justice, I am told it is $300 for the lower grades, $800 for the higher grades, retroactive to July 1.

Mr. Knowles: Mr. Chairman, we have been hearing many rumours of cabinet shifts. We did not know that this would be one.

Item agreed to.

The Chairman: This completes the estimates of the Secretary of State.

Mr. Pickersgill: I should like to be permitted to thank hon. members on both sides for being kind to me and for failing, in the case of one or two members, to recall that I was not quite so kind when I was sitting over there.

Mr. Churchill: We made quite an effort.

Mr. Pickersgill: I shall be pleased to act for the minister of northern affairs, as was agreed when the item was held at the request of the hon. member for Winnipeg South Centre so that the hon. member for Yukon may make a speech.

NORTHERN AFFAIRS AND NATIONAL RESOURCES

Northern administration branch—

75. Branch administration including authority to make recoverable advances for services performed on behalf of the governments of the Northwest Territories and the Yukon Territory, $1,092,800.

Mr. Nielsen: I should like to thank the committee for having held this item for me. I was busy in a house committee when these estimates were being discussed and for that reason I could not be here. I do not intend to speak at length. I had prepared a much longer speech but I will await another occasion before making it. I could be controversial in the course of my remarks and I could be extremely partisan if I wished, but I know that the committee does not wish to concern itself tonight with arguments of a philosophical kind.

I am sorry the minister is not here, because there were a great many matters which I wanted to draw to his attention. I will simply place on record some of the more important matters of concern to the Yukon so that he can read them when he returns to Ottawa. First, and most important, is the taking over of the Alaska highway by the Department of Public Works. There is a resolution in the 1963-64 statement of policy by the Canadian chamber of commerce, to be found at page 57, which calls for the paving of the Alaska highway and a similar resolution has been passed in the home province of the minister by the British Columbia chamber of commerce. There is a general policy resolution passed in 1963-64 which also calls for the paving of this highway. Mr. Sinclair, when he was on the cabinet benches of the Liberal government prior to 1957, on the occasion of a visit he made to the Yukon, promised that the highway would be paved and more recently the present Prime Minister while he was in the Yukon during the 1962 campaign certainly left the impression, if he did not directly promise, that the highway would be paved if a Liberal government was elected. I merely draw attention to these promises in the hope that they will be fulfilled by the government and that the paving program will be commenced without undue delay. I am happy to see the Secretary of State for External Affairs in his place tonight because he, I am sure, will be aware of any negotiations which are being conducted or which are to be conducted with the United States for a joint paving program under which costs would be shared.

There is another matter which I wish to raise. It has to do with the Haines road and

it concerns the agreement entered into between the governments of Canada and the United States. I believe this agreement should be tabled, since the minister has made lengthy quotations from it. I think the hon. gentleman should take my remarks into consideration when he sees them in *Hansard* with a view to tabling this document.

I did refrain from speaking at length on the estimates of the Minister of Transport when they were up for consideration, but since every department is concerned with affairs in the north because of the direct responsibility which exists there as far as the federal government is concerned I might again mention the representations which have been made for the improvement and extension of the several airports in the Yukon. I did not get a direct answer from the minister this morning when I asked what steps were to be taken to oblige the legislative council which has requested the presence of an official of the Department of Transport for the purpose of discussing these communication links.

I should like to draw the attention of the Minister of Justice, through the Secretary of State, to the lengthy delay which has been experienced in obtaining a senior legal officer for the Yukon, especially since this post has been established as a first step toward the assumption of jurisdiction in the matter of justice in the Yukon. The appointment will lead the way to the eventual creation of a solicitor general's department in the Yukon, and the longer we delay in obtaining the services of a senior legal officer, whose post has already been approved, the longer we shall have to wait to achieve this purpose. Perhaps the stumbling block is the fact that the category is not high enough to attract a solicitor of the calibre needed to take over this position.

Since this is the first opportunity I have had to do so, I want to draw attention to policies which have resulted during these years from 1957 to 1963 in a dramatic opening up of this portion of northern Canada. I read carefully the statement made by the minister when he presented these estimates and it seemed to me he was telling us that the vision which has been so often ridiculed and derided was not justified, and that perhaps the better course would have been to have made an effort to attract private investment in order to create the development which is desired in the north. This is very true, but government has to create the right atmosphere before private investment is attracted to the region, and in the absence of communication links and large expenditures on roads, private investment will not come.

[Mr. Nielsen.]

For the expenditure of slightly more than $22 million which was made in the Yukon between 1957 and 1962 during the period of the Progressive Conservative government there has been substantially more activity of an exploratory and development type in the Yukon and in the territories than ever before in Canada's history. Here again, I was disappointed in the minister's opening remarks. He seemed to be indicating that because of the small population in the north there was no justification for large federal expenditures. Again I would point out that the northern part of Canada is the property of all Canadians and, surely, the government should have the foresight to plan ahead so that the mineral riches of the north will be available to meet market demands which, I think all agree, will arise within the next few years.

It is not much good waiting until the demand is there and see the market taken up by other nations which are more prepared than we are. One of the most striking examples which can be given in this regard is the discovery of iron in Australia and Canada almost simultaneously. If we do not act quickly to obtain markets we shall lose them. The land in the north is being held in trust by the government and by the people who live there for Canadians everywhere. The minerals and other resource riches in the north are capable of being developed substantially, as was shown beyond doubt during the years between 1957 and 1963 and I hope this government will continue the policies which were established under the Conservative government and during the ministry of the hon. member for Qu'Appelle, who is the author of so many dramatic programs in the north which had the effect of attracting the very type of private investment to which the minister referred when he introduced his estimates. I must say too that the leadership of the hon. member for Qu'Appelle was followed through by the hon. member for Brandon-Souris when he became minister and these policies were continued.

I am rather afraid though that there seem to be indications that the minister is departing from those measures that were so well received during the six years to which I have had reference. There seems to be an indication that construction is falling off. There seems to be an indication that policy decisions are being made which are cutting back investment in northern Canada. So many times when my friends opposite were in opposition I heard Liberal members rise and say that we should not be spending so many millions of dollars in the north but rather the money should be spent in the more southerly portions of Canada where more people live. I think this is a very wrong principle because

surely this is expenditure on the basis of political expediency. Simply because more votes exist in the south is no reason to ignore the potential that the north has to offer in assisting our over-all national development. The north does have a good deal to offer and I am sure that if the present government were to follow the long range and visionary policies established by the Conservative government under the leadership of the present Leader of the Opposition they would be doing a service to Canada.

There are many matters I could mention that might be of small import to this committee which is waiting to finish its business at this late hour but I think they are very important to the people who live in the north. One of the more recent rumours, and I have received correspondence in this regard from the civil service association, is that the isolated post allowances are being cut again. I certainly hope that the minister will take another look at that decision because it may well be that a reconsideration would lead the government to decide that any such cut would not be justified.

I should like to say one last thing about these estimates. The people of the Yukon, and I am sure the same is true of the Northwest Territories, often felt themselves to be isolated in the years prior to 1957. The five years, 1957 to 1962, brought about a new feeling of permanence in the north because the government of that day paid more attention to their problems and to the belief that the resources of the north were capable of development. There were also many other factors which tended to change the feeling of the people who lived there from one of isolation to one of feeling that attention was being paid to them.

I would hope that the government will continue to send officials from the various departments into the north to find out about conditions first hand. One simply cannot appreciate the problems that exist there 4,000 miles away otherwise. People cannot make decisions sitting behind their desks in Ottawa and accepting certain things as facts, no matter how expert the officials believe themselves to be who tender that advice.

At this point I want to compliment the officials of the Department of Northern Affairs and National Resources, most of whom I know personally and very well. I know they perform a very conscientious and dedicated job in the department. As far as I am concerned, it is a department which exists to eliminate itself at the earliest possible moment, and this can only be done by gradually transferring jurisdiction to responsible government bodies which are encouraged to grow in the northern areas. Incidentally, it is my personal opinion that this is not going to be abetted by dividing the Northwest Territories and duplicating services in the area. There are many arguments that can be put forward against such a division.

I do want to make a plea that more attention be paid to the proceedings of the Yukon legislative council. These governmental bodies should be encouraged to flourish and grow and take on more responsibilities and they will not if there is bureaucratic oppression from Ottawa. They will not do so unless there is an eager desire on the part of officials in the Department of Northern Affairs and National Resources and in the government generally to transfer the jurisdiction they now have in order to encourage the growth of those representative government institutions which will result finally in provincial autonomy. The government should not be encouraging the stifling of this growth but rather should be encouraging a strong, viable, representative form of government until the day arrives when these areas can become fully responsible.

I will not hold up the committee any longer. I want to say I am very grateful that this item was held over so that I could make these few remarks, which I hope the minister will read when he returns. I wish him well in his portfolio and urge him to continue to make visits to the north similar to the one he made last summer with several of his staff in order to learn our problems at first hand.

The Chairman: Shall the item carry?

Mr. Benidickson: Mr. Chairman, may I simply say that this is the last item of northern affairs and although I am only the acting minister I want to assure the hon. member for Yukon that his remarks will be brought to the attention of the minister. It is a unique distinction to have the opportunity to end the discussion of estimates. I simply wish to say that while we have our quarrels I believe that we want to wish each other a merry Christmas and a happy new year.

Item agreed to.

The Chairman: This concludes the estimates of the Department of Northern Affairs and National Resources and also the estimates for this session.

Resolutions adopted in committee of supply this day reported and concurred in.

WAYS AND MEANS

The house in committee of ways and means, Mr. Lamoureux in the chair.

Mr. Sharp (for Mr. Gordon) moved:

Resolved, that toward making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year

ending March 31, 1964, the sum of $990,623,771.47, be granted out of the consolidated revenue fund.

Motion agreed to.

Resolution reported and concurred in.

Mr. Sharp (for Mr. Gordon) thereupon moved for leave to introduce Bill No. C-132, for granting to Her Majesty certain sums of money for the public service of the financial year ending March 31, 1964.

Motion agreed to, bill read the first and second times, and the house went into committee thereon, Mr. Lamoureux in the chair.

On clause 1.

Mr. Herridge: Is the bill in the usual terms?

Mr. Pickersgill: Well, I think the Acting Minister of Finance would be able to say the bill was in the usual terms.

Mr. Sharp: Yes, I can give the house the assurance the bill is in the ordinary form.

Clause 1 agreed to.

Clauses 2 to 5 inclusive agreed to.

Schedules A to E inclusive agreed to.

Preamble agreed to.

Title agreed to.

Bill reported and read the third time and passed.

Hon. J. W. Pickersgill (Secretary of State): I wonder if I might have what I believe will have to be unanimous consent to revert to government notices of motion? Perhaps, if I get unanimous consent, the motion that stands on the order paper in the name of the Minister of Justice could be dealt with. In doing so, I would, of course, be asking for unanimous consent to have this measure dealt with in all its stages. I think perhaps I should not ask, though there has been a great deal of consultation about this, without informing some hon. members who may not be aware of the contents of the bill. The measure to be dealt with would be one establishing an additional judge of the exchequer court who would be available, if it were desired, and would have authority of an act of parliament to be founded upon this resolution, to have leave of absence to serve as an officer of the other place for the purpose of dealing with divorce petitions, as provided for in the legislation that was adopted last August. That is all, I may say, that is in the measure itself.

Some hon. Members: Agreed.

[Mr. Sharp.]

JUDGES ACT

APPOINTMENT OF ADDITIONAL JUDGE FOR EXCHEQUER COURT

Hon. J. W. Pickersgill (for the Minister of Justice) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Judges Act and the Exchequer Court Act to authorize the appointment of, and the provision of salary for, one additional judge of the Exchequer Court of Canada.

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

Resolution reported and concurred in.

Mr. Pickersgill (for Mr. Chevrier) moved for leave to introduce Bill No. C-133, for the appointment of an additional judge to the Exchequer Court of Canada.

Motion agreed to, bill read the first and second times, considered in committee, reported, read the third time and passed.

Hon. J. W. Pickersgill (Secretary of State): I believe that the house would be disposed, from such consultations as I have had, to give unanimous consent to take certain private bills that are on the order paper, with the exception of one about which I believe another position is to be taken a little later, in a single motion, and that the house would also unanimously agree to dispense with sending the bills to the miscellaneous private bills committee. Then, we could go into committee on all the bills in a single motion and deal with all of them at each stage in a single motion. If I correctly interpret the will of the house, could that be ordered?

Mr. Aiken: In this connection, I would consent to reverting to private bills, but there has been no other agreement with regard to the final private bill reached. I would consent, therefore, to reverting to private bills, but not otherwise.

Mr. Pickersgill: Pardon?

Mr. Aiken: There has been no agreement reached in respect of the Good News Broadcasting bill, and therefore if we revert to private bills I merely want to revert to private bills, because this would bring on that bill.

Mr. Pickersgill: Is the hon. gentleman willing to have the divorce bills dealt with first?

Mr. Aiken: I have no objection to that. I merely indicate the Secretary of State said this would refer only to the divorce bills and not the last bill. I say that if we are to revert

to private bills, I have no objection to taking them in any order, but we should take them all.

Mr. Pickersgill: I take it we have to revert to private bills.

Some hon. Members: Agreed.

PRIVATE BILLS

JOYCE EVELYN RANGER

Mr. L. T. Pennell (for Mr. Wahn) moved the second reading of Bill SD-357, for the relief of Joyce Evelyn Ranger.

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

On clause 1—*Marriage dissolved.*

Mr. Peters: Mr. Chairman, we are very happy that the agreement of the house has been such that this problem, that we set out a number of years ago to resolve, has finally reached a very satisfactory state, and the government is to be congratulated on the effort it has made to assist in the solving of it.

Over the years the hon. member for Skeena and I have been accused of using the means to justify the end, and to some extent all the people mentioned in these bills which we are now passing are part of that means. On behalf of the hon. member for Skeena and myself, and the other hon. members of the house, I think we should express our sympathy with them in being involved. They have made a contribution to the social change of Canada, and we appreciate the fact that the Secretary of State and several other ministers have been able to arrive at this conclusion, which will be a very happy Christmas for many.

The Secretary of State will be pleased to know I have received a telephone call from Newfoundland, where the weather has been very bad today, but I can tell him that one of his constituents will be a very happy man this evening with the Christmas present given in this legislation.

Mr. Pickersgill: I just want to say a word that is as equally out of order, but I wish to mention I have appreciated very much to help that the hon. member for Winnipeg South Centre has given in reaching, I think, this very desirable goal which I hope is the end of a problem that all of us have been worried about for quite a long time.

Mr. Douglas: I only rise to say I think this is an important and red letter day in the history of the Canadian parliament. For years many of us have protested at having to deal with divorce bills in parliament, and all sorts of suggestions were made as to what should be done, but we were never able to produce a satisfactory solution that would be acceptable to all concerned. Those who have been mentioned are to be congratulated, and I would particularly like to express my appreciation, and I believe the appreciation of the house, to the hon. member for Timiskaming and the hon. member for Skeena who, through long years, have kept this problem before parliament and before the country, and sometimes brought down on themselves a good deal of abuse. But they clung tenaciously to the principle they had in mind, with the result that parliament has now rid itself of this practice and has evolved a much more satisfactory manner of handling divorce for the provinces of Quebec and Newfoundland.

Clause 1 agreed to.

Preamble agreed to.

Bill reported and read the third time and passed.

SECOND READINGS—CONSIDERED IN COMMITTEE—THIRD READINGS

Bill SD-358, for the relief of Mabel Lucille Mills.—Mr. Wahn.

Bill SD-359, for the relief of Gordon Gibb.—Mr. Wahn.

Bill SD-360, for the relief of Betty Jane Sockett.—Mr. Wahn.

Bill SD-361, for the relief of Albert Wilfrid Tremblay.—Mr. Wahn.

Bill SD-362, for the relief of Lily Worthington.—Mr. Wahn.

Bill SD-363, for the relief of Leomay Marie Blanche Stratton.—Mr. Wahn.

Bill SD-364, for the relief of Lorna Scherzer.—Mr. Wahn.

Bill SD-365, for the relief of Elizabeth Shaw Fisher Reid.—Mr. Wahn.

Bill SD-366, for the relief of Marie Gertrude Helene Flamme.—Mr. Wahn.

Bill SD-367, for the relief of Gerda-Sascha Rozwadowski.—Mr. Wahn.

Bill SD-368, for the relief of Stella Leblanc.—Mr. Wahn.

Bill SD-369, for the relief of Cynthia Elsie Scott.—Mr. Wahn.

Bill SD-370, for the relief of Demetre Almyriotis.—Mr. Wahn.

Bill SD-371, for the relief of Agnes Irene Seaman.—Mr. Wahn.

Bill SD-372, for the relief of John Harman.—Mr. Wahn.

Bill SD-373, for the relief of Marion Ruth Catherine Slattery.—Mr. Wahn.

Bill SD-374, for the relief of Bruce Reid Campbell.—Mr. Wahn.

Divorce Bills

Bill SD-375, for the relief of William Metcalfe Watt.—Mr. Wahn.

Bill SD-376, for the relief of Raymonde Vachon.—Mr. Wahn.

Bill SD-377, for the relief of Mary Hilda Hermita.—Mr. Wahn.

Bill SD-378, for the relief of Ellen Alice Nelham.—Mr. Wahn.

Bill SD-379, for the relief of Jean Jacques Aime Picotte.—Mr. Wahn.

Bill SD-380, for the relief of Marie Madeleine Lydia Gauvin.—Mr. Wahn.

Bill SD-381, for the relief of Joseph William Alfonse Morency.—Mr. Wahn.

Bill SD-382, for the relief of Shirley Millar Neal.—Mr. Wahn.

Bill SD-383, for the relief of Irene Ross.—Mr. Wahn.

Bill SD-384, for the relief of Aline Helene Smith.—Mr. Wahn.

Bill SD-385, for the relief of Joseph Arthur Norman William Edwards.—Mr. Wahn.

Bill SD-386, for the relief of Edward Brown.—Mr. Wahn.

Bill SD-387, for the relief of Madeleine Priscilla Dean Everall.—Mr. Wahn.

Bill SD-388, for the relief of Magdeleine Geoffrion.—Mr. Wahn.

Bill SD-389, for the relief of Yetta Pomerantz.—Mr. Wahn.

Bill SD-390, for the relief of June Patricia Brown.—Mr. Brown.

Bill SD-391, for the relief of Betty Lillian Patrick.—Mr. Wahn.

Bill SD-392, for the relief of Harvey Stewart Wycliffe Goodwin.—Mr. Wahn.

Bill SD-393, for the relief of Wilfrid Giroux.—Mr. Wahn.

Bill SD-394, for the relief of Herve Gauthier.—Mr. Wahn.

Bill SD-395, for the relief of Micheline McGuire.—Mr. Wahn.

Bill SD-396, for the relief of Gladys Ethel Sarah Bergeron.—Mr. Wahn.

Bill SD-397, for the relief of Monique Remy.—Mr. Wahn.

Bill SD-398, for the relief of Josephine Suhr Moseley.—Mr. Wahn.

Bill SD-399, for the relief of Elsie Jean Delisle.—Mr. Wahn.

Bill SD-400, for the relief of Jeannine Furoy.—Mr. Wahn.

Bill SD-401, for the relief of Beverley Anne Jones.—Mr. Wahn.

Bill SD-402, for the relief of Alphonse Eugene Racine.—Mr. Wahn.

[Mr. Douglas.]

Bill SD-403, for the relief of Marion Richardson.—Mr. Wahn.

Bill SD-404, for the relief of George Hann.—Mr. Wahn.

Bill SD-405, for the relief of Rosi Irma Parrouty.—Mr. Wahn.

Bill SD-406, for the relief of Rose Coletta.—Mr. Wahn.

Bill SD-407, for the relief of Joan Jeannette Krautle.—Mr. Wahn.

Bill SD-408, for the relief of Elizabeth Helen Brown.—Mr. Wahn.

Bill SD-409, for the relief of Dorothy Hazel Neila Beausoleil.—Mr. Wahn.

Bill SD-410, for the relief of Ines Barbara Levy.—Mr. Wahn.

Bill SD-411, for the relief of Dorothy Gladys Faucher.—Mr. Wahn.

Bill SD-412, for the relief of Geraldine Ludgarde Romer.—Mr. Wahn.

Bill SD-413, for the relief of Geraldine Cecilia Gohier.—Mr. Wahn.

Bill SD-414, for the relief of Rene Hebert.—Mr. Wahn.

Bill SD-415, for the relief of Elizabeth Lillian Small.—Mr. Wahn.

Bill SD-416, for the relief of Patricia Rose Rankin.—Mr. Wahn.

Bill SD-417, for the relief of Haidy Amalie Madelaine Jack.—Mr. Wahn.

Bill SD-418, for the relief of Sandra Elizabeth McVety.—Mr. Wahn.

Bill SD-419, for the relief of Rose Duval.—Mr. Wahn.

Bill SD-420, for the relief of Rosemary Louise Eakins.—Mr. Wahn.

Bill SD-421, for the relief of Germaine Marie Therese Hinksman.—Mr. Wahn.

Bill SD-422, for the relief of Joseph Rene Gerard Michel.—Mr. Wahn.

Bill SD-423, for the relief of Doreen Klara Culmer.—Mr. Wahn.

Bill SD-424, for the relief of Mallie Fanny Newman.—Mr. Wahn.

Bill SD-425, for the relief of Sylvia Aucoin.—Mr. Wahn.

Bill SD-426, for the relief of Miriam White.—Mr. Wahn.

Bill SD-427, for the relief of Leonard Greenfield.—Mr. Wahn.

Bill SD-428, for the relief of Helene Denise Vien.—Mr. Wahn.

Bill SD-429, for the relief of Toni Anna, Lydia Weiss, otherwise known as Toni Anna Lydia Weisz.—Mr. Wahn.

Bill SD-430, for the relief of Stephen Alexander Lantos.—Mr. Wahn.

Bill SD-431, for the relief of Frieda Lina Schaub.—Mr. Wahn.

Bill SD-432, for the relief of Colleen Ann Kenny.—Mr. Wahn.

Bill SD-433, for the relief of Edith Rozel McDougall.—Mr. Wahn.

Bill SD-434, for the relief of Mona Pozza.—Mr. Wahn.

Bill SD-435, for the relief of Vivian Marjery Cohen.—Mr. Wahn.

Bill SD-436, for the relief of Hilda Desjardins.—Mr. Wahn.

Bill SD-437, for the relief of Sandra Mary Louise Martin.—Mr. Wahn.

Bill SD-438, for the relief of Mary Iris Fournier.—Mr. Wahn.

Bill SD-439, for the relief of Phyllis Manoah.—Mr. Wahn.

Bill SD-440, for the relief of Martin Simeon Levy.—Mr. Wahn.

Bill SD-441, for the relief of Maureen Mary Piercey.—Mr. Wahn.

Bill SD-442, for the relief of Milton Lawrence Trickey.—Mr. Wahn.

Bill SD-443, for the relief of William John Loke.—Mr. Wahn.

Bill SD-444, for the relief of Betty O'Neil.—Mr. Wahn.

Bill SD-445, for the relief of Armando Argentini.—Mr. Wahn.

Bill SD-446, for the relief of Joseph Jean Paul Fernand Blanchette.—Mr. Wahn.

Bill SD-447, for the relief of Karl-Heinz Hans Luedders.—Mr. Wahn.

Bill SD-448, for the relief of Marjorie Brown.—Mr. Wahn.

Bill SD-449, for the relief of Maureen Knowles.—Mr. Wahn.

Bill SD-450, for the relief of Rolland Commoy.—Mr. Wahn.

Bill SD-451, for the relief of Ginette Noela Melanie Soulier.—Mr. Wahn.

Bill SD-452, for the relief of Nora Bridget Lahey.—Mr. Wahn.

Bill SD-453, for the relief of Betty Ankhelyi.—Mr. Wahn.

Bill SD-454, for the relief of Barbara Patricia Rogers.—Mr. Wahn.

Bill SD-455, for the relief of William Henry Monaghan.—Mr. Wahn.

Bill SD-456, for the relief of Mary Yvonne Giguere.—Mr. Wahn.

Bill SD-457, for the relief of Lois Budd.—Mr. Wahn.

Bill SD-458, for the relief of Elizabeth Laptew.—Mr. Wahn.

Divorce Bills

Bill SD-459, for the relief of Margit Bene.—Mr. Wahn.

Bill SD-460, for the relief of Jacqueline Elfstrom—Mr. Wahn.

Bill SD-461, for the relief of Marie Antoinette Germaine Mouton.—Mr. Wahn.

Bill SD-462, for the relief of Molly Krakower.—Mr. Wahn.

Bill SD-463, for the relief of Anita Marie Virginie Leroux.—Mr. Wahn.

Bill SD-464, for the relief of Barbara Joan Sonia Lowther.—Mr. Wahn.

Bill SD-465, for the relief of Arthur Bruce Hann.—Mr. Wahn.

Bill SD-466, for the relief of Fany Rubenstein.—Mr. Wahn.

Bill SD-467, for the relief of George Cecil Horton.—Mr. Wahn.

Bill SD-468, for the relief of Pierre Lacasse.—Mr. Wahn.

Bill SD-469, for the relief of Edna Anne MacPherson.—Mr. Wahn.

Bill SD-470, for the relief of Pardo Belpulso.—Mr. Wahn.

Bill SD-471, for the relief of Aida Diotte.—Mr. Wahn.

Bill SD-472, for the relief of Geralde Lalonde.—Mr. Wahn.

Bill SD-473, for the relief of Joseph Philippe Philias Fabien Parent.—Mr. Wahn.

Bill SD-474, for the relief of Marie Greensell.—Mr. Wahn.

Bill SD-475, for the relief of John Donaldson.—Mr. Wahn.

Bill SD-476, for the relief of Jean Eileen Leath.—Mr. Wahn.

Bill SD-477, for the relief of Stella Eileen Menahem.—Mr. Wahn.

Bill SD-478, for the relief of Gabriel Fortin.—Mr. Wahn.

Bill SD-479, for the relief of Elsie Clifford.—Mr. Wahn.

Bill SD-480, for the relief of Marlene Judith Feinstein.—Mr. Wahn.

Bill SD-481, for the relief of Edie (Etta) Cohen.—Mr. Wahn.

Bill SD-482, for the relief of June Eleanor Holgate.—Mr. Wahn.

Bill SD-483, for the relief of Elizabeth Anne Chadwick-Rider.—Mr. Wahn.

Bill SD-484, for the relief of Della Harriet McGuire.—Mr. Wahn.

Bill SD-485, for the relief of Adrien Tellier.—Mr. Wahn.

Bill SD-486, for the relief of John Loughheed, otherwise known as John Lougheed.—Mr. Wahn.

Divorce Bills

Bill SD-487, for the relief of Roland Boisvert.—Mr. Wahn.

Bill SD-488, for the relief of Jean Mildred Fillmore.—Mr. Wahn.

Bill SD-489, for the relief of Marie Marguerite Nicole Fraser.—Mr. Wahn.

Bill SD-490, for the relief of Elizabeth Peck. —Mr. Wahn.

Bill SD-491, for the relief of Eileen Myrtle Burns.—Mr. Wahn.

Bill SD-492, for the relief of Helen Doreen Gearey.—Mr. Wahn.

Bill SD-493, for the relief of Iva Baumgartner.—Mr. Wahn.

Bill SD-494, for the relief of Jacqueline Serrati.—Mr. Wahn.

Bill SD-495, for the relief of Jeannette Carignan.—Mr. Wahn.

Bill SD-496, for the relief of Paulette Sauve. —Mr. Wahn.

Bill SD-497, for the relief of Thelma Joanette MacDonald.—Mr. Wahn.

Bill SD-498, for the relief of Donat Theriault.—Mr. Wahn.

Bill SD-499, for the relief of Elizabeth Gray. —Mr. Wahn.

Bill SD-500, for the relief of Alma Tremblay.—Mr. Wahn.

Bill SD-501, for the relief of Daisy Emily Dorothy Ryan.—Mr. Wahn.

Bill SD-502, for the relief of Lise Hogue.— Mr. Wahn.

Bill SD-503, for the relief of Verena Elsener. —Mr. Wahn.

GOOD NEWS BROADCASTING ASSOCIATION OF CANADA

The house resumed from Tuesday, December 17, consideration in committee of Bill No. S-15 to incorporate the Good News Broadcasting Association of Canada—Mr. Enns— Mr. Lamoureux in the chair.

On clause 1—*Incorporation.*

The Chairman: Shall clause 1 carry?

Mr. Macdonald: No.

Mr. Howard: I would move that the committee rise, report progress and ask for leave to sit again at the next sitting of the house.

Mr. Aiken: Mr. Chairman, I think the hon. member for York-Humber was speaking when the committee last rose. If he does not wish to make any statement at this time, I wish to do so, but I do not want to take any time from him if he wishes to speak.

[Mr. Douglas.]

The Chairman: I might point out to the committee that we do not have an amendment before us at the moment.

Mr. Howard: Mr. Chairman, I was in error in assessing what course of action was going to be followed, and inasmuch as I did not put the motion in writing, it does not exist.

The Chairman: Then since there is no motion in writing, no motion can be withdrawn.

Mr. Aiken: I wish to make a very brief statement, and after that I hope that the committee and the house will see fit to render a decision on this bill which has been before parliament since early in June, and which has had quite a chequered career. Later today the house will adjourn to celebrate the birth of Jesus Christ nearly 2,000 years ago. The news of this event was described at that time as glad tidings of great joy. Later in His life, Jesus said, "Go ye into all the world and preach the gospel to every creature".

Many people still refer to this event as good news, and so in 1939 the Reverend Mr. Epps and his wife decided to broadcast the good news of Christ's birth by means of radio. He called his organization the Good News Broadcasting Association. To some sophisticates, this may sound corny; in fact it was so called in a committee of this house. But to many people it has real meaning.

In 1950 the broadcasts were started in Canada, and a business office was set up under licence of the Manitoba government. Over a million people each year in Canada, be they shut-ins or others who delight to hear, are so thankful for these broadcasts that they write in to the head office in Winnipeg. All that this organization now asks is that it be permitted to become Canadian by incorporation in Canada.

It falls to the house to consider as its last order of business before Christmas an act to incorporate the Good News Broadcasting Association of Canada. It is the effort of a small group of men to spread the glad tidings as they see them. Now the house must decide either to accept it, to reject it, or like Pontius Pilate of years ago, to wash their hands of it.

Mr. Macdonald: I would just like to say that for reasons stated in the debate on this matter previously I for one, as an individual, am not in favour of parliament enacting this type of bill. I agree entirely with the sentiments expressed by the hon. member for Parry Sound-Muskoka, but I disagree entirely with this parliament incorporating a company under these circumstances, with this type of provision; and therefore I just want to make it clear I am recording my objection to the

bill on the technical reasons of incorporation, and not in any sense expressing dissent with either the individuals who are promoting this particular enterprise or the objectives they are stating in it.

Clause 1 negatived: Yeas, 21; Nays, 35.

Mr. Aiken: Mr. Chairman, in view of the fact that clause 1 has been defeated, I presume the same vote will carry throughout and the bill has effectively been defeated. I would suggest, therefore, that we do not proceed.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

DOMINION-PROVINCIAL CONFERENCE ON HIGHWAYS

Question No. 1,188—**Mr. Latulippe:**

1. Is it the government's intention to call a federal-provincial conference on highway problems this fall?
2. Has the Minister of Public Works discussed this matter with the ministers of highways in the provincial governments and, if so, what were the results of these discussions?

[*Translation*]

Mr. Badanai: 1. No.

2. Discussions with all the provincial departments of highways are not yet completed.

[*Text*]

INCREASE IN WAR VETERANS PENSIONS

Question 1,778—**Mr. Irvine:**

1. Is it the intention of the government to consider increasing war veterans pensions in line with the present standard of living and in view of the recent increase in old age security payments?
2. If so, when will this be considered, and what is the proposed amount of the increase?

Answer: 1 and 2. The War Veterans Allowance Act is under continuous study and review, and due weight is given to changing conditions and related factors. The time when the act will be amended is based on considerable research and any decision to amend the act, which would include proposals for increases in rates and ceilings, will be announced in the house at the appropriate time.

MEDICAL ASSISTANCE TO APPLICANT FOR VETERANS PENSION

Question No. 1,800—**Mr. Douglas:**

Have representations been received to the effect that a veteran applying for a pension, or making an appeal to the Canadian pension commission, should, with the consent of the Minister of Veterans Affairs or his nominee, be able to call on the services of a physician of his own choice to assist him in preparing his case and in presenting it verbally before the commission, such physician to be compensated from public funds, and, if so, what consideration has been given to this proposal?

Answer: Such representation was received quite recently, and this matter is receiving very careful consideration at the moment.

SHORE DAMAGE, STE MARGUERITE GALLIX, QUE.

Question No. 1,831—**Mr. Caouette:**

1. Has the government any information concerning the extent of the damages caused by the sea last November to the North shore of the St. Lawrence river at Ste Marguerite Gallix, county of Saguenay?
2. Was a request for assistance made by the residents of Ste Marguerite Gallix and, if so, did the government indicate that such requests for assistance should be addressed to the appropriate provincial authorities?
3. Would the construction of a breakwater prevent further damage, particularly during the period of high tides, in December and January?

[*Translation*]

Mr. Badanai: 1. Yes.

2. Yes. The department suggested that assistance be sought under the winter works incentive program in which the provincial government participates. Since the erosion was not caused by navigation or by other factors involving the responsibility of the federal government, it is felt that this matter comes under provincial jurisdiction.

3. The construction of a breakwater might remedy the situation, but it seems that a protection wall would also be needed.

SHERBROOKE-MEGANTIC BRANCH RAILWAY LINE

Question No. 1,832—**Mr. Latulippe:**

1. In what year was the branch line of the Sherbrooke-Megantic railway opened?
2. How long did its construction take and what was its cost?

[*Translation*]

Mr. Cantin: The Board of Transport Commissioners for Canada advises as follows:

1. The railway line between Sherbrooke and Megantic was constructed by the St. Francis and Megantic International Railway Company (now part of the Canadian Pacific Railway Company) and was opened for operation in 1883.

2. Information in the board's files indicates that construction commenced about the year 1872. The board has no information as to the total cost of construction of the section of the railway line in question.

[*Text*]

POST OFFICE CONSTRUCTION, PRINCE EDWARD ISLAND

Question No. 1,854—**Mr. Macquarrie:**

1. When is it proposed to commence construction of post office buildings in Crapaud, North Rustico, and Mount Stewart in Prince Edward Island?

Questions

2. When will tenders be called?
3. What is the estimated cost of each such structure?
4. What are the dimensions of such buildings?
5. Is it the intention to construct similar buildings in other centres in Queens county and, if so, at what centres?

Mr. Badanai: 1. If suitable sites are obtained at reasonable costs it is expected construction of new post offices at Crapaud, North Rustico and Mount Stewart will commence early in 1964.

2. Answered by 1.

3. About $15,000.

4. The basic plan calls for buildings approximately 20 feet by 24 feet. However this size could vary for each location depending on local post office requirements and where accommodation may be provided for other government departments.

5. Not at the present time.

USE OF CANADIAN ENGINEERING FIRMS IN AID PROGRAMS

Question No. 1,864—**Mr. Matheson:**

1. In what ways are Canadian engineering services used within Canadian grant aid programs?
2. How many Canadian engineering firms are currently employed in grant aid programs?
3. What firms are so employed and where?

Mr. Martin (Essex East): 1. Canadian engineers have been used within Canadian grant aid programs on the making of surveys, feasibility studies, design and supervision of major construction projects, the training of operating and maintenance personnel and in various advisory capacities.

2. Twenty one engineering firms.

3. The firms are:

(a) Stadler Hurter International Ltd., Montreal, Que.; Malaya, Pakistan, Burma.

(b) C. C. Parker, Whittaker & Co. Ltd., Edmonton, Alta.; Burma, Malaya.

(c) Canadian Hoosier Engineering Co. Ltd. Montreal, Que.; Pakistan, Ceylon.

(d) Montreal Engineering Co. Ltd., Montreal, Que.; Ceylon, India.

(e) R. J. Noah & Associates, St. John's, Nfld.; Ceylon.

(f) Surveyor, Nenniger, Chenevert, Montreal, Que.; India.

(g) Ingledow, Kidd & Associates Ltd., Vancouver, B.C.; India.

(h) Shawinigan Engineering Co. Ltd. Montreal, Que.; Malaya.

(i) N. J. Pappas & Associates, Montreal, Que.; Malaya.

(j) Forestal Forestry and Engineering International Ltd., Vancouver, B.C.; Pakistan.

(k) Pelletier Engineering (International) Ltd., Montreal, Que.; Pakistan.

[Mr. Macquarrie.]

(l) W. P. London & Partners, Niagara Falls, Ont.; Pakistan.

(m) Hanright & Co. Ltd., St. Catharines, Ont.; Pakistan.

(n) H. A. Simons (International) Ltd., Vancouver, B.C.; Pakistan.

(o) Sandwell and Co. Ltd., Vancouver, B.C.; Pakistan.

(p) Spartan Air Services Ltd., Ottawa, Ont.; Kenya.

(q) C. D. Schultz & Co., Vancouver, B.C., Kenya.

(r) Canadian Aero Services Ltd., Ottawa, Ont.; Nigeria.

(s) Pathfinder Engineering Co. Ltd., Vancouver, B.C.; Nigeria.

(t) Coode, Binnie & Preece, Ottawa, Ont.; St. Vincent.

(u) Piette, Audy, Lepinay & Bertrand, Quebec, Que.; Leeward and Windward islands.

*CONVERSION TO FRENCH OF STATION CJBC, TORONTO

Question No. 1,868—**Mr. Scott:**

1. What is the estimated listening audience of radio station CJBC Toronto?
2. What is the estimated number of French speaking people in the Toronto area?
3. Briefly, what considerations led to the decision to convert station CJBC into a station broadcasting in French only?
4. Were other proposed solutions considered to the problem of providing a French station in Toronto and, if so, what were such other proposed solutions, and why were they unacceptable?
5. What is the estimated amount of revenue that will be lost as a result of the conversion of CJBC from English to French?
6. Where will the French speaking staff come from to operate the station?
7. What provision is being made for the continued employment of those people presently working at station CJBC?
8. How many English speaking employees will lose their jobs as a result of this switch?
9. Will the present Protestant and Catholic church services now carried by CJBC be carried on another station and, if so, which station?
10. To what extent will the programs presently being carried by CJBC still be available to the listening public?
11. Which of the programs now carried by CJBC will no longer be available to the public?
12. What steps were taken to ascertain the views of the English speaking listeners of CJBC as to the necessity for or the desirability of this change from English to French?

Mr. Pickersgill: Mr. Speaker, starred question 1,868 contains 12 parts and stands in the name of the hon. member for Danforth. I apologize for not having it ready for him on Wednesday, as I personally would like to have done. The answer is rather long, and hon. members have heard my voice rather often.

Some hon. Members: Hear, hear.

Mr. Pickersgill: I wonder whether the house would consent to having the answer printed in *Hansard.*

Some hon. Members: Agreed.

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

I am informed by the Canadian Broadcasting Corporation as follows:

1. During an average seven day period CJBC is listened to in 170,000 of the 1,119,000 homes located within CJBC's coverage area—i.e. approximately 15 per cent of them. During an average five day Monday to Friday period CJBC is heard in 136,000 homes—i.e. approximately 12 per cent.

2. It is estimated that in its daytime coverage area CJBC covers some 67,000 people who have French as their mother tongue and a sum total of 163,000 French speaking people.

3. (a) The C.B.C. is required by its mandate to provide broadcast service to the largest possible number of Canadians in the two official languages, French and English.

(b) The conversion of CJBC to French broadcasting is the simplest and quickest way to provide the required service in view of the fact that C.B.C. already has another station, CBL, supplying this area with the national service. No other Canadian city has more than one C.B.C. station operating in the same language.

(c) There is also the fact that a good, unoccupied broadcast frequency to provide the required service is not available.

4. Yes; as follows:

(a) Low power relay transmitter—not satisfactory for use in a metropolitan area.

(b) FM transmitter—(i) effective radiation area would be less than CJBC's (i) would compel French speaking audience to buy FM sets.

(c) New AM transmitter to serve same area as CJBC—see 3 (b) and (c) above.

5. It is not customary to require the corporation to make public such information in view of the competitive business in which it is engaged. However, the loss of commercial revenue will be offset by the reduction of operating costs. No additional requirement from public funds is expected.

6. Wherever suitable staff can be recruited.

7. These employees will be absorbed in the C.B.C.'s general Toronto operation through the normal turnover of staff.

8. None.

9. This has not yet been decided.

10. "The Learning Stage" will remain on CJBC. The corporation is now conducting a study to determine if some of the present CJBC programs might be inserted in the CBL schedule.

11. See 10 above.

12. A comprehensive analysis was made of available data relevant to CJBC's English as well as French listening audience. However, as indicated in 3 (above) the primary factor in the decision was the corporation's obligation to provide the national service to the large French language group in the Toronto area, coupled with the availability of a C.B.C. station which was no longer filling its function as the key station of a national English language network.

RADIO TECHNICIAN CLASSIFICATIONS

Question No. 1,874—**Mr. Churchill:**

1. When was the classification radio technician 1 to 5 abolished?
2. Was it replaced by the classification technician electronics 1 to 7 and, if so, when?
3. In the cyclical reviews of civil service salaries was the radio technician group included?
4. What was the salary schedule of the classification radio technician 1 to 5?
5. What is the present salary schedule of the classification technician electronics 1 to 7?
6. What are the salary schedules for the years 1960, 1961, 1962 and 1963 for (a) air traffic control (5), and (b) technician electronics 3 (or equivalent radio technician)?

Mr. Pickersgill: I have been given the following answers by the civil service commission:

1. The class radio technician 1 to 5 has not been abolished. However, instructions have been issued to the effect that it is not to be used for new appointments.

2. The radio technician class will be replaced by the class technician 1 to 7, electronics, which was established effective October 1, 1962.

3. Cyclical salary review group "D".

4. Radio technician 1, $4,620-$5,160; 2, $5,100-$5,640; 3, $5,400-$5,940; 4, $6,000-$6,660; 5, $6,420-$7,140.

5. Technician 1, electronics, $3,780-$4,980; 2, electronics, $4,740-$5,460; 3, electronics, $5,100-$6,000; 4, electronics, $5,760-$6,300; 5, electronics, $6,300-$6,960; 6, electronics, $6,800-$7,500; 7, electronics, $7,200-$8,220.

6. (a) 1960, $6,000-$6,660; 1961, $6,300-$6,960; 1962, $5,580-$6,960; 1963, $6,720-$8,040.

(b) No single grade of radio technician is equivalent to technician 3, electronics. The salaries of grades affected by movement into this grade are as follows: Radio technician 1, 1960-1963, $4,620-$5,160; 2, 1960-1963, $5,100-$5,640; 3, 1960-1963, $5,400-$5,940; 4, 1960-1963, $6,000-$6,660.

Questions

STATION CJBC, TORONTO—FRENCH LISTENING AUDIENCE

Question No. 1,883—**Mr. Smith:**

During the time that CJBC was broadcasting a part of its daily program in French, were any tests or surveys made to measure the listening audience and, if so (a) what kind of tests or surveys were made (b) what was the result of such tests or surveys?

Mr. Pickersgill: I am informed by the Canadian Broadcasting Corporation as follows: Yes. (a) information on the audience to CJBC's French language programs was obtained from an analysis, carried out by the C.B.C. research department, of all the available data relevant to CJBC's present and potential listening audience. This included data derived from C.B.C.'s own surveys and from several independent sources of audience information. (b) The analysis indicated that CJBC's 9.00-11.00 p.m. week day French language programs had an audience, within the station's coverage area, of about 9,000 different households over the course of an average five day week.

STUDIES OF FRENCH LISTENING AUDIENCE, STATION CJBC, TORONTO

Question No. 1,884—**Mr. Smith:**

Prior to the decision to make radio station CJBC in Toronto a French language station, were any investigations or studies made as to the potential audience and, if so (a) what were these investigations or studies (b) what were the results or conclusions from such studies?

Mr. Pickersgill: I am informed by the Canadian Broadcasting Corporation as follows: Yes. (a) study and tabulation of statistical data on the French only plus bilingual population within the service area of CJBC; (b) it was estimated that a wholly French language CJBC could attract a home audience of about 30,000 different households in the course of an average seven day week, or 20,000 in an average day.

FLUORIDATION

Question No. 1,885—**Mr. Lachance:**

Has a careful appraisal of the advantages and disadvantages of fluoridation been made recently by the Department of National Health and Welfare and, if so (a) was a report submitted to the government (b) on what date was such a report submitted?

Miss LaMarsh: The Department of National Health and Welfare has carefully studied the dental effects of mechanically fluoridated water at Brantford, Ontario, and naturally fluoridated water at Stratford, Ontario during a period of 15 years. In addition the dental effects of naturally fluoridated water at Ingersoll, Ontario was studied in 1962.

[Mr. Pickersgill.]

It was conclusively shown that fluoridation was beneficial. Water either mechanically or naturally fluoridated to a level of about one part per million was found to reduce the occurrence of tooth decay by about two thirds in persons drinking it regularly from birth. No ill effects were observed.

(a) The results were widely publicized through departmental reports, press releases, and articles in professional and scientific journals.

(b) Departmental reports were published in 1953, 1954, 1955, 1958, 1959, 1962 and 1963.

POST OFFICE BUILDING, DUPARQUET, QUE.

Question No. 1,886—**Mr. Caouette:**

Will a post office be built in the near future, at Duparquet and, if so (a) what lots have been purchased (b) from whom have they been purchased (c) what was the price agreed upon for those lots (d) have building tenders been called (e) who are the tenderers and what is the amount of each tender (f) what persons made representations to the Post Office Department for the construction of such a post office?

[*Translation*]

Mr. Badanai: Yes.

(a) Two lots are being purchased on Beattie boulevard.

(b) From Messrs. L. Dessailly and R. Gilbert.

(c) $800 each.

(d) No.

(e) N/A.

(f) The Post Office Department advise that they have not received any representations in this connection.

[*Text*]

WHEAT OVERAGES

Question No. 1,896—**Mr. Rapp:**

In each of the crop years since 1955 to date what quantities of grain were received by the Canadian wheat board as a result of the difference between deliveries at country elevators where grain is not graded and the outturn at terminals where the grain is subject to weighing and grading under government inspection?

Answer: In each of the crop years 1955-56 to 1961-62 the net country elevator overages of wheat purchased by the Canadian wheat board from elevator companies at the board's initial prices are as follows:

Crop Year	Bushels
1955-56	643,618
1956-57	985,546
1957-58	1,540,775
1958-59	1,343,167
1959-60	1,997,214
1960-61	1,322,717
1961-62	2,142,344

CONSTRUCTION OF PUBLIC BUILDINGS, COLCHESTER-HANTS CONSTITUENCY

Question No. 1,901—**Mr. Kennedy:**

1. How many public buildings does the Department of Public Works plan to construct in the constituency of Colchester-Hants during the next twelve months?
2. What is the nature of these buildings and where will they be situated?

Mr. Badanai: 1. Nil.

2. Not applicable.

QUESTIONS PASSED AS ORDERS FOR RETURNS

APPOINTMENTS TO TRANSIENT AND CASUAL JOBS

Question No. 1,715—**Mr. Orlikow:**

1. Do government departments, commissions, boards, etc., fill transient and casual jobs through the national employment service?
2. How do departments, boards, commissions, etc., which do not use the facilities of the national employment service, recruit personnel required?

Return tabled.

B.C. INDIAN COMMISSIONER—OFFICE ESTABLISHMENT

Question No. 1,804—**Mr. Barnett:**

1. How many positions are authorized in the establishment of the office of the Indian commissioner for British Columbia?
2. How many of these are currently occupied?
3. By classified occupation what, briefly, are the qualifications and duties of each of those in the currently-occupied positions?
4. What is the authorized number of personnel of the Alberni agency?
5. How many of the authorized positions are currently occupied?
6. What, including an indication of whether this position is currently occupied, are the duties and responsibilities of each position authorized in the operation of the Alberni agency?
7. Who are the members of the crew of the *Skeena*, the vessel operated by the Alberni agency?
8. What are the duties and responsibilities of each of the members of the crew?
9. What other duties, in addition to acting as a member of the crew of this vessel, does each of the members perform?

Return tabled.

PRIVILEGE

MR. HAMILTON—REFERENCE TO REMARKS IN DEBATE BY MEMBER FOR MEDICINE HAT—RULING BY MR. SPEAKER

Mr. Speaker: Order, please. In the spirit of co-operation which we have had tonight, I would like to conclude one pending matter, which is a decision on a question of privilege raised a few days ago. I hope it will be accepted by the two hon. members chiefly concerned, inasmuch as we have discussed this matter together and I am convinced that the principle which I shall announce shortly is right. I hope both hon. members will be satisfied, although it is not my purpose to satisfy hon. members as long as the principle is right.

On December 13 the hon. member for Qu'Appelle (Mr. Hamilton) rose on a question of privilege, to the effect that the hon. member for Medicine Hat (Mr. Olson) had on the previous day stated the following:

> Never before in our history has any member spent so much out of public funds in order to advertise a political party.

He stated that this was an imputation against his personal honour and against his activities as minister of agriculture. In consequence the member for Qu'Appelle asked not only for a complete withdrawal but a very strong apology as well.

In reply the member for Medicine Hat stated that if anything he said the day before could be construed by the hon. member for Qu'Appelle as being offensive to him personally, he would withdraw that, and he repeated the same statement later on. In the course of this discussion the hon. member for Yukon (Mr. Neilsen) had this to say:

> In so far as the question of privilege is concerned, when the remark was made yesterday by the hon. member for Medicine Hat I was quite astounded, because what he is saying is that the former minister of agriculture has misapplied public funds. In essence he is making a charge of fraud by misuse of public funds—

It is true, as the hon. member for Yukon said when he quoted Beauchesne's citation 108, that "libels on members have been constantly punished and scandalous charges or imputations directed against members are equivalent to libelous charges". I am not ready to agree that the remarks made in the course of the debate by the member for Medicine Hat constituted, in the words of the member for Yukon, "a charge of fraud by misuse of public funds".

There could not be any fraud because it is evident, and to everyone's knowledge, that every year large funds are spent by each and every department of the government for purposes of publicity. This expenditure may be directed toward giving publicity to laws passed by parliament, to orders in council, to regulations, to the work done in and by the different departments, to statements made by ministers at home or abroad in connection with their official duties, to social or political developments throughout the country.

There is no doubt, also, that all this government publicity under favourable circumstances, may react to the benefit of the party in power and to the ministers administering the different departments. Furthermore, if I correctly interpret what was in the mind of the member for Medicine Hat—this according to his own statements—his intention

was to refer to a political party, and then it becomes clear that the alleged libel would be one affecting the party itself rather than a single member of that party who at the time was responsible for the public relations of a department. As May has stated in the sixteenth edition, at page 459:

> Expressions which are unparliamentary when applied to individuals are not always so considered when applied to a whole party.

On August 1, 1958—*Hansard*, page 2981—the Speaker on a similar question of privilege stated the following:

> I think the hon. member for Vancouver East is taking more out of what was said than was implied. I remember quite distinctly that although the hon. member for Victoria began talking about the hon. member for Vancouver East, when he made the statement about a policy of shooting capitalists it referred rather generally to a group or party. It has been the practice in the house, as the hon. member will recall, that unless an allegation is made specifically against a member I have not felt it to be my responsibility to compel the hon. member to retract beyond what he himself feels he should retract.

In the present case it is quite possible that the hon. member for Medicine Hat used a metaphor to the effect, as he stated, that money out of public funds had been used in order to advertise a political party. I imagine that in the case of an alleged libel made in the house against a member of the house the test would be whether such declaration would be considered serious enough to give rise to an action for libel before a court, if such declaration had been made outside the house.

Beauchesne in the first lines of citation 108 states that:

> —anything which may be considered a contempt of court by a tribunal is a breach of privilege as perpetrated against parliament—

And to repeat paragraph (3) of the same citation as quoted by the hon. member for Yukon:

> (3) Libels on members have also been constantly punished: but to constitute a breach of privilege they must concern the character or conduct of members in that capacity, and the libel must be based on matters arising in the actual transaction of the business of the house.

May I quote here the first part of citation 113 by the same author:

> Members often raise so-called "questions of privilege" on matters which should be dealt with as personal explanations or corrections, either in the debates or the proceedings of the house. A question of privilege ought rarely to come up in parliament. It should be dealt with by a motion giving the house power to impose a reparation or apply a remedy. There are privileges of the house as well as of members individually. Wilful disobedience to orders and rules of parliament in the exercise of its constitutional functions, insults and obstructions during debate are breaches of the privileges of the house. Libels upon members and aspersions upon them in relation to parliament and interference of any kind with their official duties, are breaches of the privileges of the members. But a dispute arising between two members, as to allegations of facts, does not fulfil the conditions of parliamentary privilege. An attack in a newspaper article is not a breach of privilege, unless it comes within the definition of privileges above given, and then a member is bound to lay on the table the newspaper in which the article complained of appears.

Here, if the house will allow me, I would like to refer to a citation in May's sixteenth edition, page 140:

> Where the committee recommended that, in view of the explanation offered by the offender, and of his expression of regret for the offence he had committed, the house should take no further action in the matter, or that the conduct complained of was not such a breach of the privileges of the house as called for any further action on its part or that, in the opinion of the committee, the house would best consult its own dignity by taking no further notice of the libel, or that no further time should be occupied in the consideration of the offence, further action was not taken by the house.
>
> In another instance after the committee of privileges had reported that in their opinion a breach of privilege had been committed but that in the circumstances the house would best consult its own dignity by taking no further action in the matter, the house resolved that it agreed with the committee in their report.

Having brought the above comments to the attention of the house, may I now say that the words quoted at the beginning, namely:

> Never before in our history has any member spent so much out of public funds in order to advertise a political party—

—are not words that should have been used, but on the contrary, those words might give rise to a question of privilege. However, in view of the explanations offered by the offender and of his understanding of the matter as declared when the discussion took place, the house would best consult its own dignity by taking no further action in the matter.

Mr. Frank Howard (Skeena): Mr. Speaker, through the usual channels I have ascertained that there might be accorded unanimous consent to move a motion, and in a desire to wind up the session and strike a blow for liberty and freedom I move, seconded by the hon. member for Medicine Hat (Mr. Olson), with unanimous consent:

> That the Sergeant-at-Arms, pursuant to standing order 88, be instructed to grant *pro tem* a card admitting Raymond Rodgers to the facilities of the press galleries of this house.

Mr. Pickersgill: I wonder if I might be permitted to say a word on this. I feel I should take the responsibility, notwithstanding the offer I made—I do not think the hon. member for Skeena (Mr. Howard) will accuse me

of double dealing—to say that after this matter was brought up Your Honour made certain observations about it, and for that reason I feel that we should acquiesce in the position taken by Your Honour. Therefore, I do not feel I would wish to agree to give unanimous consent, and in doing that I hope I will not be misunderstood.

Mr. Speaker: I regret that unanimous consent is not given and that I cannot receive the motion. Unless there is some other business we will suspend the session till the call from the other place.

Mr. Nowlan: Did I understand Your Honour to say that we would suspend this session, or are you considering some documents before you before we proceed further?

Mr. Speaker: At this time of night free interpretation I believe is given to ordinary words on some occasions. If I said "session" I certainly meant "sitting". Usually it is customary to break for a visitor from the other place, but I might read this announcement now.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Government House
Ottawa, December 21, 1963.

Sir:

I have the honour to inform you that the Chief Justice of Canada, in his capacity as Deputy of His Excellency the Governor General, will proceed to the Senate chamber at ten o'clock p.m. today, December 21, 1963, for the purpose of proroguing the first session of the twenty sixth parliament of Canada.

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

A. B. Cherrier,
Assistant Secretary to
the Governor General

Mr. Pickersgill: Before Your Honour leaves the chair or suspends the sitting, whatever the proper technical term is, I do not imagine that anyone can call me to order at this stage for anything I say, however foolish. But I do want to say how very much I have appreciated the co-operation of those members of other parties who have met with me regularly throughout the session to try to arrange the business of this first session of a new parliament in which no party had a majority, in which some problems arose which were not even expected when the session began, and where, notwithstanding some of the things we may have said to and about one another in the course of debate, a good deal has been accomplished and the order paper has been brought to a pretty satisfactory state at the end. This would not have been possible, sir, without the regular consultation and co-operation which hon. gentlemen opposite have given to me in the management of the business of the house, and I appreciate very much what they have done. I appreciate too the fact that we have been able in these last three weeks to arrange the business of the house, to arrange the sittings to dispose of the business without once having had a motion put to settle sitting hours.

I should also like to say that I believe this parliament has now become accustomed to itself and we have become accustomed to each other, and that it will be a great deal easier in another session for us to get down to business and dispatch the business we are all sent here to do, and perhaps even to criticize to the satisfaction of some members of the press.

[*Translation*]

And I must say, Mr. Chairman, in the other official language of the country, that I greatly appreciate the co-operation given to me by all members.

[*Text*]

Hon. George C. Nowlan (Digby-Annapolis-Kings): It is usual at this hour of night before we approach the other place for prorogation to make certain good wishes, congratulations and expressions of mutual respect. This is all the more fitting on an occasion such as this when we are not only approaching prorogation but are also on the verge of the Christmas season.

I am sure the leader of the house will understand, when he says that we are getting adjusted to each other, that these adjustments must be on a somewhat temporary basis. As I told the Minister of Finance (Mr. Gordon) when we were wishing each other a merry Christmas—I wished him a very merry Christmas and a very happy new year, but one not too prolonged in the forthcoming year. Possibly we have to bear some of these things in mind. Seriously, on this occasion I wish to say that we reciprocate what the leader of the house has said about the co-operation which has gone on, despite the criticism. We started in a rough parliament last spring. I think it is true that the Tories were mad and the Liberals were cocky, and it took us a while to get adjusted. But following the series of disasters which they faced, we felt better and I doubt whether any parliament has worked better than this one has in the last few weeks or months since we came back from the summer recess. I am sure that as long as we continue as a parliament this spirit will continue.

Royal Assent

On behalf of the official opposition I wish to extend to the Speaker of the house, to the Deputy Speaker, to the staff of the House of Commons and all those associated with them our best wishes for a very merry Christmas and the best of health and happiness in the coming year. As for our colleagues and associates on both sides of the house—we shall probably be seeing each other during the evening—I wish to all members of the House of Commons, wherever they may sit and to whatever party they belong, the very best of fortune in the coming year.

Mr. T. C. Douglas (Burnaby-Coquitlam): I should just like to say, in reply to the remarks made by the Secretary of State (Mr. Pickersgill) that this has been a remarkable session of parliament. It began in uncertain circumstances. It could easily have been a most unproductive parliament. I think history may well show that it has been a remarkably productive parliament, though a parliament in which no party had a clear majority. I think this has been due to the fine co-operation which has existed in all parts of the house and to the diplomacy and patience of the Secretary of State, who has been the leader of the house for the government, and to our patience in putting up with him. I hope the press will notice that although it is close to Christmas and late at night there is a remarkably good attendance of members in the dying hours of this session.

I was measuring the representation qualitatively. I thought it was about evenly balanced. I should like on behalf of the members of this party to express to all members in all parts of the house, to the staff and to the members of the press gallery our best wishes for a merry Christmas.

Mr. Bert Leboe (Cariboo): Without being repetitious I should like to associate myself with the remarks of the hon. members who have spoken and to wish everyone a very merry Christmas and a happy new year. We shall be looking forward to some real results when the next session comes round.

[*Translation*]

Mr. Gerard Perron (Beauce): Mr. Speaker, since our group has been recognized, may I, on behalf of the members of the Ralliement Credistes, in spite of the fact that some are absent, join with the other members who spoke before me and wish to the staff of the House of Commons, to all our colleagues from the various regions of Canada, and to all the people of Canada, peace on earth and good will to men, wherever they may be.

[Mr. Nowlan.]

[*Text*]

Hon. Lionel Chevrier (Minister of Justice): Would you allow me to say a final word in the absence of the Prime Minister (Mr. Pearson) who, I am sure, would have said something had he been here. He is in the other place.

Mr. Douglas: Permanently?

Mr. Chevrier: I am sure no one in the house would want him to be in any other place but this one.

Mr. Douglas: Let me say to the minister that there is a scripture which says: I go to prepare a place for you.

Mr. Chevrier: I do not know what the hon. gentleman has in mind but I have a feeling he must be referring to someone else. Be that as it may, I do want, on behalf of the Prime Minister to thank those of you who were so kind as to express good wishes and congratulations on this occasion. I should like to join with those who have preceded me in paying a special tribute to the Speaker of the house for his patience, to the Deputy Speaker and to those who are on his staff, to the members of the press gallery, to the staff generally and to all those who are responsible for the administration of the House of Commons.

I think, too, I would be remiss in my duty—and I am sure no one will take offence at this—if I omitted to say a special word of commendation to the leader of the house for the manner in which he has acted as a negotiator in many of the problems and difficulties which arose. I am sure this would not have been possible, especially since my hon. friend has not occupied this particular position before, had it not been for the co-operation he received from the house leaders on the other side—the house leader of the official opposition, as well as the leaders of the various other groups.

[*Translation*]

Mr. Speaker, I would be remiss if I did not convey to the house our appreciation for your work and for the work of all those who are responsible for the administration of the house.

If I speak a little longer than usual, it is because we have a few minutes to go before the Gentleman Usher of the Black Rod arrives.

I take the occasion to wish you a merry Christmas and a happy new year.

I extend the same wishes to all my colleagues on both sides of the house, and I would add "*le paradis à la fin de leurs jours*".

[*Text*]

Mr. Pickersgill: I wonder if Your Honour would consider suspending the sitting at the

call of the Chair to enable hon. gentlemen in the other place to dispense with the last items of business.

Mr. Speaker: Is it the pleasure of the house to adopt the suggestion made by the Secretary of State?

Some hon. Members: Agreed.

SITTING SUSPENDED

* * *

SITTING RESUMED

The house resumed at 10.15 p.m.

THE ROYAL ASSENT

A message was delivered by Major C. R. Lamoureux, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the house went up to the Senate chamber.

In the Senate chamber the Deputy Governor General was pleased to give, in Her Majesty's name, the royal assent to the following bills:

An act to repeal the Newfoundland Savings Bank Act, 1939.

An act to authorize the construction of a bridge and a causeway over the St. Lawrence river near the city of Pointe aux Trembles.

An act respecting the executive board of the Canada conference of The Evangelical Lutheran Augustana Synod of North America.

An act to incorporate Royal General Insurance Company of Canada.

An act respecting The Northern Life Assurance Company of Canada.

An act respecting The Canada North-west Land Company (Limited).

An act to incorporate The Mortgage Insurance Company of Canada.

An act to incorporate Family Life Assurance Company.

An act to amend the Canada Grain Act, the Financial Administration Act, the Income Tax Act, the International Boundary Waters Treaty Act, the National Energy Board Act, the Railway Act, the Salaries Act and the Tariff Board Act with respect to the salaries of certain public officials.

An act to incorporate the Pharmacy Examining Board of Canada.

An act to approve an agreement between the government of Canada and the government of the province of Ontario respecting public harbours.

An act to amend the Carriage by Air Act.

An act to amend the National Harbours Board Act.

An act to amend the National Centennial Act.

An act to amend the Customs Tariff.

An act respecting the office of representation commissioner and to effect certain consequential amendments to the Canada Elections Act.

An act to amend the Currency, Mint and Exchange Fund Act.

Royal Assent

An act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways system for the period from the 1st day of January, 1962 to the 30th day of June, 1964, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company.

An act to amend the Canadian World Exhibition Corporation Act.

An act for the relief of Joyce Evelyn Ranger.

An act for the relief of Mabel Lucille Mills.

An act for the relief of Gordon Gibb.

An act for the relief of Betty Jane Sockett.

An act for the relief of Albert Wilfrid Tremblay.

An act for the relief of Lily Worthington.

An act for the relief of Leomay Marie Blanche Stratton.

An act for the relief of Lorna Scherzer.

An act for the relief of Elizabeth Shaw Fisher Reid.

An act for the relief of Marie Gertrude Helene Flamme.

An act for the relief of Gerda-Sascha Rozwadowski.

An act for the relief of Stella Leblanc.

An act for the relief of Cynthia Elsie Scott.

An act for the relief of Demetre Almyriotis.

An act for the relief of Agnes Irene Seaman.

An act for the relief of John Harman.

An act for the relief of Marion Ruth Catherine Slattery.

An act for the relief of Bruce Reid Campbell.

An act for the relief of William Metcalfe Watt.

An act for the relief of Raymonde Vachon.

An act for the relief of Mary Hilda Hermita.

An act for the relief of Ellen Alice Nelham.

An act for the relief of Jean Jacques Aime Picotte.

An act for the relief of Marie Madeleine Lydia Gauvin.

An act for the relief of Joseph William Alfonse Morency.

An act for the relief of Shirley Millar Neal.

An act for the relief of Irene Ross.

An act for the relief of Aline Helene Smith.

An act for the relief of Joseph Arthur Norman William Edwards.

An act for the relief of Edward Brown.

An act for the relief of Madeleine Priscilla Deane Everall.

An act for the relief of Magdeleine Geoffrion.

An act for the relief of Yetta Pomerantz.

An act for the relief of June Patricia Brown.

An act for the relief of Betty Lillian Patrick.

An act for the relief of Harvey Stewart Wycliffe Goodwin.

An act for the relief of Wilfrid Giroux.

An act for the relief of Herve Gauthier.

An act for the relief of Micheline McGuire.

An act for the relief of Gladys Ethel Sarah Bergeron.

An act for the relief of Monique Remy.

An act for the relief of Josephine Suhr Moseley.

An act for the relief of Elsie Jean Delisle.

An act for the relief of Jeannine Furoy.

An act for the relief of Beverley Anne Jones.

Royal Assent

An act for the relief of Alphonse Eugene Racine.

An act for the relief of Marion Richardson.

An act for the relief of George Hann.

An act for the relief of Rosi Irma Parrouty.

An act for the relief of Rose Coletta.

An act for the relief of Joan Jeanette Krautle.

An act for the relief of Elizabeth Helen Brown.

An act for the relief of Dorothy Hazel Neila Beausoleil.

An act for the relief of Ines Barbara Levy.

An act for the relief of Dorothy Gladys Faucher.

An act for the relief of Geraldine Ludgarde Romer.

An act for the relief of Geraldine Cecilia Gohier.

An act for the relief of Rene Hebert.

An act for the relief of Elizabeth Lillian Small.

An act for the relief of Patricia Rose Rankin.

An act for the relief of Haidy Amalie Madelaine Jack.

An act for the relief of Sandra Elizabeth McVety.

An act for the relief of Rose Duval.

An act for the relief of Rosemary Louise Eakins.

An act for the relief of Germaine Marie Therese Hinksman.

An act for the relief of Joseph Rene Gerard Michel.

An act for the relief of Doreen Klara Culmer.

An act for the relief of Mallie Fanny Newman.

An act for the relief of Sylvia Aucoin.

An act for the relief of Miriam White.

An act for the relief of Leonard Greenfield.

An act for the relief of Helene Denise Vien.

An act for the relief of Toni Anna Lydia Weiss, otherwise known as Toni Anna Lydia Weisz.

An act for the relief of Stephen Alexander Lantos.

An act for the relief of Frieda Lina Schaub.

An act for the relief of Colleen Ann Kenny.

An act for the relief of Edith Rozel McDougall.

An act for the relief of Mona Pozza.

An act for the relief of Vivian Marjery Cohen.

An act for the relief of Hilda Desjardins.

An act for the relief of Sandra Mary Louise Martin.

An act for the relief of Mary Iris Fournier.

An act for the relief of Phyllis Manoah.

An act for the relief of Martin Simeon Levy.

An act for the relief of Maureen Mary Piercey.

An act for the relief of Milton Lawrence Trickey.

An act for the relief of William John Loke.

An act for the relief of Betty O'Neil.

An act for the relief of Armando Argentini.

An act for the relief of Joseph Jean Paul Fernand Blanchette.

An act for the relief of Karl-Heinz Hans Luedders.

An act for the relief of Marjorie Brown.

An act for the relief of Maureen Knowles.

An act for the relief of Rolland Commoy.

An act for the relief of Ginette Noela Melanie Soulier.

An act for the relief of Nora Bridget Lahey.

An act for the relief of Betty Ankhelyi.

An act for the relief of Barbara Patricia Rogers.

An act for the relief of William Henry Monaghan.

An act for the relief of Mary Yvonne Giguere.

[Mr. Speaker.]

An act for the relief of Lois Budd.

An act for the relief of Elizabeth Laptew.

An act for the relief of Margit Bene.

An act for the relief of Jacqueline Elfstrom.

An act for the relief of Marie Antoinette Germaine Mouton.

An act for the relief of Molly Krakower.

An act for the relief of Anita Marie Virginie Leroux.

An act for the relief of Barbara Joan Sonia Lowther.

An act for the relief of Arthur Bruce Hann.

An act for the relief of Fany Rubenstein.

An act for the relief of George Cecil Horton.

An act for the relief of Pierre Lacasse.

An act for the relief of Edna Anne MacPherson.

An act for the relief of Pardo Belpulso.

An act for the relief of Aida Diotte.

An act for the relief of Geralde Lalonde.

An act for the relief of Joseph Philippe Philias Fabien Parent.

An act for the relief of Marie Greensell.

An act for the relief of John Donaldson.

An act for the relief of Jean Eileen Leath.

An act for the relief of Stella Eileen Menahem.

An act for the relief of Gabriel Fortin.

An act for the relief of Elsie Clifford.

An act for the relief of Marlene Judith Feinstein.

An act for the relief of Edie (Etta) Cohen.

An act for the relief of June Eleanor Holgate.

An act for the relief of Elizabeth Anne Chadwick-Rider.

An act for the relief of Della Harriet McGuire.

An act for the relief of Adrien Tellier.

An act for the relief of John Loughheed, otherwise known as John Lougheed.

An act for the relief of Roland Boisvert.

An act for the relief of Jean Mildred Fillmore.

An act for the relief of Marie Marguerite Nicole Fraser.

An act for the relief of Elizabeth Peck.

An act for the relief of Eileen Myrtle Burns.

An act for the relief of Helen Doreen Gearey.

An act for the relief of Iva Baumgartner.

An act for the relief of Jacqueline Serrati.

An act for the relief of Jeannette Carignan.

An act for the relief of Paulette Sauve.

An act for the relief of Thelma Joanette MacDonald.

An act for the relief of Donat Theriault.

An act for the relief of Elizabeth Gray.

An act for the relief of Alma Tremblay.

An act for the relief of Daisy Emily Dorothy Ryan.

An act for the relief of Lise Hogue.

An act for the relief of Verena Elsener.

To these bills the royal assent was pronounced by the Clerk of the Senate in the following words:

In Her Majesty's name, the Honourable the Deputy Governor General doth assent to these bills.

Then the Speaker of the House of Commons addressed the Deputy Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted supplies required to enable the government to defray certain expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An act for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1964.

To which bill I humbly request Your Honour's assent.

To this bill the Clerk of the Senate, by command of the Deputy Governor General, did thereupon say:

In Her Majesty's name, the Honourable the Deputy Governor General thanks her loyal subjects, accepts their benevolence, and assents to this bill.

PROROGATION OF PARLIAMENT

After which the Deputy Governor General was pleased to close the first session of the twenty sixth parliament of Canada with the following speech:

Honourable Members of the Senate:

Members of the House of Commons:

The twenty sixth parliament opened on May 16 and you have at this first session, occupying a total of 23 weeks, enacted much important legislation designed to advance in many ways the well-being of Canada and Canadians.

It has been encouraging to note some easing of tension in international relations, expressed particularly in the successful conclusion of a multilateral treaty banning nuclear weapons tests in the atmosphere, in outer space and underwater. This treaty was signed on behalf of my government on August 8, 1963. Further progress toward improved understanding between nations is urgently necessary. To this end my government continues, at the United Nations and elsewhere, to participate fully in the attempt to ease international tensions.

Canadians have shared the grief of the people of the United States over the tragic and untimely death of President Kennedy, whose contribution to the causes of freedom and peace has been of immeasurable importance for all the world.

The Canadian economy is currently enjoying a good rate of growth. It is gratifying that in recent months unemployment has been reduced to the lowest rate experienced since 1957, though further progress remains to be made. Exports have substantially increased and the payments deficit with other countries has been reduced. The recent wheat crop was the largest in Canada's history and exports of wheat in the current crop year are expected to establish a new record. My government has renewed on satisfactory terms the trade agreement with the U.S.S.R. first made in 1956 and has entered into wheat sales agreements with that country and with Poland, Czechoslovakia and Bulgaria. The Canadian wheat board has entered into a long term arrangement for the sale of wheat to mainland China.

My government has held conferences with the governments of all the provinces. Matters of mutual interest have been reviewed in a spirit of co-operative federalism. Arrangements for closer and more continuous consultation in future have been made. The federal government has indicated certain changes which it proposes to make in fiscal arrangements with the provinces for the next financial year. A wider range of other subjects, including certain features of the federal government's proposed Canada pension plan, have been examined. The principal conference in November was followed by a meeting of the federal and provincial ministers of trade and industry and a meeting of the ministers of agriculture. Further studies have been arranged, as a preliminary to another conference with the premiers of the provinces.

My government has established a royal commission on bilingualism and biculturalism and has taken steps to increase bilingualism in the public service. Many of the recommendations of the royal commission on government organization are being put into effect.

A committee of the House of Commons has inquired into matters of national defence and my government is undertaking a full review of defence policy in the light of modern conditions. Arrangements have been made for the provision of nuclear warheads for those previously acquired weapons which require them.

In recognition of the need to provide a fair share of assistance to the less developed nations, my ministers have announced an increase in Canada's external aid program and the initiation of a food aid program to supplement the other forms of assistance.

Negotiations for the clarification of the Columbia river treaty, and for the sale of downstream power, have been conducted with the government of the United States in full co-operation with the government of British Columbia.

The House of Commons has established a committee to make recommendations on its procedure and organization.

You have enacted a measure to provide for the office of a representation commissioner to facilitate the equitable redistribution of representation in the House of Commons.

You have enacted legislation under which has been established the economic council of Canada, which will advise how Canada can achieve the highest possible levels of employment and efficient production in order that the country may enjoy a high and consistent rate of economic growth and that all Canadians may share in rising living standards.

You have adopted measures to stimulate industrial expansion in Canada through tax incentives, and to encourage greater participation by Canadians in the ownership of Canadian industry.

You have also authorized the establishment of the Department of Industry in order to encourage the development and efficiency of manufacturing industries in Canada. In the same act you have provided for an area development agency which, in collaboration with the provinces, will assist in programs for the development of districts where economic growth has been slow and unemployment especially serious and persistent.

You have adopted measures to provide special tax incentives for industrial expansion in such areas.

The Atlantic Development Board Act has been amended to increase the number of members and to provide for a capital development fund of $100 million.

You have enacted the Municipal Development and Loan Act to make available funds for additional municipal projects, administered in co-operation with the provincial governments.

You have also authorized the provision of greater incentives to municipal winter works and an acceleration during the winter months of federal works in development areas, which have contributed substantially to the maintenance of employment.

You have also authorized measures which, with winter housing incentives and higher N.H.A. loans at reduced interest rates, have resulted in a record number of homes now being under construction.

You have also authorized an experimental program to encourage the employment and training of older workers who have been without work.

You have amended the Technical and Vocational Training Assistance Act to give increased support to the construction of training facilities and the provision of training both in industry and to the unemployed.

You have enacted the Maritime Transportation Unions Trustees Act with the object of restoring democratic trade unionism in the shipping industry and putting an end to labour strife on the great lakes.

You have provided for raising to $75 a month the pensions paid to Canadians from age 70 under the Old Age Security Act, and for likewise increasing by $10 a month the benefits to which the federal government contributes under the joint welfare programs for old age assistance and for blindness and disability allowances.

Other measures enacted at this session include the Dissolution and Annulment of Marriages Act and amendments to the Emergency Gold Mining Assistance Act, the Small Business Loans Act, and other legislation.

Members of the House of Commons:

I thank you for the provision you have made for the public services in the current fiscal year.

Honourable Members of the Senate:

Members of the House of Commons:

May divine Providence continue to bless our country.

This concluded the first session of the twenty sixth parliament.

[The following items were passed in committee of supply this day:]

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

Northern administration branch—

75. Branch administration including authority to make recoverable advances for services performed on behalf of the governments of the Northwest Territories and the Yukon Territory, $1,092,800.

SECRETARY OF STATE

CANADIAN BROADCASTING CORPORATION

1. Grant in respect of the net operating amount required to discharge the responsibilities of the national broadcasting service, $78,439,000.

5. Grant for the capital requirements of the national broadcasting service, $7,340,000.

International broadcasting service—

10. International broadcasting service including authority to credit to the appropriation revenue from the rental of facilities in Montreal, Sackville and Vancouver to an amount of $429,500 and to re-expend these moneys for the purposes of the international broadcasting service, $1,865,900.

SECRETARY OF STATE

A—Department—

1. Departmental administration, $317,600.

5. Companies and corporations branch, $142,000.

10. Trade marks office including a contribution to the international office for the protection of industrial property, $222,000.

15. Translation bureau, $1,837,600.

Patent and copyright office—

20. Administration division, $147,300.

25. Patent division, $2,158,600.

30. Copyright and industrial designs division including a contribution to the international office for the protection of literary and artistic works, $41,200.

B—Atlantic development board—

40a. Administration and operation, $352,500.

OFFICE OF THE CHIEF ELECTORAL OFFICER

1. Salaries and expenses of office, $86,800.

CIVIL SERVICE COMMISSION

1. Salaries and contingencies of the commission including compensation in accordance with the suggestion award plan of the public service of Canada, $5,011,600.

NATIONAL FILM BOARD

1. Administration, production and distribution of films and other visual materials, $5,338,300.

5. Acquisition of equipment, $207,700.

Loans, investments and advances—

National film board—

L30. Notwithstanding section 18 of the National Film Act, as amended, to increase to $1,150,000 the amount of the expenditures that may be made at any time in excess of the receipts shown in the national film board operating account referred to in that section, to authorize the purchase from the said account of capital equipment for the Canadian government photo centre, and the operation of the photo centre in accordance with regulations of the governor in council; additional amount required, $250,000.

NATIONAL GALLERY OF CANADA

1. Administration, operation and maintenance including grants as detailed in the estimates, $825,900.

5. Payments to the national gallery purchase account for the purpose of acquiring works of art in conformity with section 8 of the National Gallery Act, $243,000.

Administration, operation and maintenance—

1a. To extend the purposes of vote 1 of the main estimates, 1963-64 to include an honorarium in lieu of royalties to Dr. R. H. Hubbard in an amount not exceeding $2,500, $2,500.

PUBLIC ARCHIVES AND NATIONAL LIBRARY

A—Public archives—

1. General administration and technical services, $724,100.

B—National library—

5. General administration, $321,800.

10. Payment to the national library purchase account for the purpose of acquiring books, in conformity with section 12 of the National Library Act, $38,000.

BOARD OF BROADCAST GOVERNORS

1. Salaries and other expenses, $349,800.

DEPARTMENT OF FINANCE

Miscellaneous grants—

95. Institute of public administration of Canada, $6,000.

Loans, investments and advances—

L20. To authorize the establishment of a special account in the consolidated revenue fund, to be known as the government telephone account, from which may be made, notwithstanding anything in the Financial Administration Act, payments in the current and subsequent fiscal years on the requisition of the Minister of Finance in respect of government telephone service; the account to be credited with, and the appropriations of departments receiving telephone service to be charged for, the costs of such service in such manner as the treasury board may direct, but the excess of the amounts paid out of the account over the amounts credited thereto shall not at any time exceed, $1,000,000.

AUDITOR GENERAL'S OFFICE

1. Salaries and expenses of office, $1,271,200.

INSURANCE

1. Departmental administration, $820,600.

1a. Departmental administration, $20,000.

General items of payroll costs including superannuation payments—

85. Government's share of surgical-medical insurance premiums determined in accordance with regulations made pursuant to vote 124, Appropriation Act No. 6, 1960, $8,500,000.

85a. Government's share of surgical-medical insurance premiums determined in accordance with regulations made pursuant to vote 124, Appropriation Act No. 6, 1960—To amend vote 124 of the Appropriation Act No. 6, 1960 by extending its purposes to authorize payment of the government's share of medical-surgical insurance premiums on such bases and in respect of such persons (and their dependents), as the governor in council prescribes, where such persons (or their dependents) are in receipt of pension by reason of those persons having held offices or positions or performed

services the remuneration for which was payable out of the consolidated revenue fund or by an agent of Her Majesty or by reason of their being contributors, as defined in the Public Service Superannuation Act, or by reason of their being members of the Canadian forces or the Royal Canadian Mounted Police, $750,000.

87a. To authorize, in the current and subsequent fiscal years on such terms and conditions as the treasury board may prescribe, advances to persons who are serving abroad and who belong to a class of persons described in vote 668 of the Appropriation Act No. 5, 1958, as amended, or in vote 124 of the Appropriation Act No. 6, 1960, for the purpose of enabling such persons to pay hospital and surgical-medical expenses when due, $1.

Miscellaneous grants—

90. Consumers' Association of Canada, $10,000.

General items of payroll costs including superannuation payments—

71a. To authorize the governor in council to make regulations, providing for the extension of a retroactive increase in remuneration, payable out of the consolidated revenue fund and granted in the current and subsequent fiscal years, with an effective date of July 1, 1963 or later, in whole or in part and under such conditions as may be specified in the regulations, to all or any persons who would have benefited from the increase if it had been granted on the day to which it was made retroactive, notwithstanding that they would not be included in the class of persons who would have benefited from such increase if it had not been retroactive, and prescribing to what extent payments made by virtue hereof may be included in the calculation of pension, superannuation or other benefits under any act, and to authorize payments in the current and subsequent fiscal years in accordance with such regulations, $1.

75. Government's contribution, as an employer to the unemployment insurance fund in respect of government employees paid through the central pay office, $1,100,000.

80. Government's contribution to the hospital insurance (outside Canada) plan, $425,000.

Administration of various acts and costs of special functions—

Royal Canadian Mint—

35. Construction or acquisition of equipment, $178,600.

35a. Construction or acquisition of equipment, $301,000.

Subsidies and other payments to provinces—

40. Payments, computed in accordance with terms and conditions approved by the governor in council, to the government of each province, in respect of income tax paid by corporations whose main business is the distribution to or generation for distribution to the public of electrical energy, gas or steam; the said payments to be made in respect of such part of the income of the corporations for the taxation year ending in the calendar year 1961 (as determined under and for the purposes of the Income Tax Act as is derived from the said distribution or generation in the province to which payment is made, $8,450,000.

40a. Payments, computed in accordance with terms and conditions approved by the governor in council, to the government of each province, in respect of income tax paid by corporations whose main business is the distribution to or generation for distribution to the public of electrical energy, gas or steam; the said payments to be made in respect of such part of the income of the corporations for the taxation year ending in the calendar year 1961 (as determined under and for the purposes of the Income Tax Act) as is derived from the said distribution or generation in the province to which payment is made—To extend the purposes of this vote to authorize payments with respect to the taxation year 1960, $1.

Payments to municipalities—

45. Grants to municipalities in accordance with the Municipal Grants Act and regulations made thereunder, $27,700,000.

45a. Grants to municipalities in accordance with the Municipal Grants Act and regulations made thereunder, $1,000,000.

Contingencies and miscellaneous—

50. Miscellaneous minor or unforeseen expenses, subject to the approval of the treasury board, including authority to re-use any sums repaid to this appropriation from other appropriations, and for awards under the Public Servants Inventions Act, $3,000,000.

50b. Miscellaneous minor or unforeseen expenses—To extend the purposes of vote 50 of the main estimates to supplement, in such amounts and in accordance with such terms and conditions as the treasury board may prescribe, the estimates of other departments in order to provide for an accelerated construction and repair program and to provide a further amount of, $7,000,000.

56a. To authorize the treasury board to delete from the accounts certain debts due, and claims by, Her Majesty, each of which is in excess of $1,000, amounting in the aggregate to $2,388,509.86 of which $1,875 represents an advance made under the Veterans Rehabilitation Act that had been carried as an asset in the statement of assets and liabilities, $1,875.

57a. To authorize—(a) the custodian to transfer to the Minister of Finance all such Roumanian property (including the proceeds and earnings thereof) that remains vested in the custodian in respect of world war II as may be prescribed by the governor in council; (b) the Minister of Finance to hold, sell or otherwise administer property received by him from the custodian under paragraph (a); and (c) the establishment of a special account in the consolidated revenue fund, to be known as the treaty of peace (Roumania) claims fund, to which shall be credited all money representing the proceeds and earnings of property transferred under paragraph (a) both before and after its transfer; and, notwithstanding section 35 of the Financial Administration Act, to authorize payments out of the treaty of peace (Roumania) claims fund in the current and subsequent fiscal years, in accordance with regulations of the governor in council which regulations may, *inter alia*, provide for the determination of the nature of claims for compensation that may be made, the persons to whom compensation may be paid, the manner and time for the submission of claims and the calculation (including any weighted or *pro rata* distribution) of the amount of the payments by the Minister of Finance, $1.

General items of payroll costs including superannuation payments—

58a. To deem, for the purposes of the Public Service Superannuation Act, notwithstanding subsection (4) of section 11 thereof, a person to be or to have been a contributor employed in the public service substantially without interruption for a period of at least five years where that person is or was a contributor who (a) ceased to be employed in the public service for any reason other

than misconduct, not having been employed therein substantially without interruption for a period of five years immediately before so ceasing to be employed; and (b) was entitled, pursuant to vote 702 of the Appropriation Act No. 1, 1959 or vote 712 of the Appropriation Act No. 4, 1962 or pursuant to a reciprocal agreement entered into under section 28 of the said act, to count as prior service under the said act service with a public service employer, which service when added to his service in the public service results in a total period of pensionable service of at least five years, $1.

59a. To provide, notwithstanding the Civil Service Superannuation Act or the Public Service Superannuation Act, where the governor in council is of opinion that a person (a) has made an election under either of the said acts in purported compliance with provisions thereof and the regulations made pursuant thereto and that the purported election was made in good faith and was invalid by reason only of circumstances not attributable to fault on the part of that person, or (b) was treated in error as being deemed to have elected pursuant to paragraph (b) of subsection (2) of section 40 of the Public Service Superannuation Act, such person shall be deemed to have made a valid election for the purposes of the relevant provisions of the Civil Service Superannuation Act or the Public Service Superannuation Act, as the case may be, on such date and subject to such terms and conditions as may be prescribed by the governor in council, $1.

61a. To ratify and confirm the granting, during the period commencing on the 1st day of April, 1962 and ending on the 7th day of February, 1963, of retiring leave, and to ratify and confirm the payment of salary in respect of that leave or of a gratuity in lieu thereof to persons who (a) ceased to perform duties in respect of their office or employment in the public service during the said period, (b) were, at the time of ceasing to perfom such duties of the age of 60 or more, and (c) were granted retiring leave or a gratuity in lieu thereof in purported compliance with section 59 of the civil service regulations as those regulations stood during the relevant period; and to deem, for the purposes of the Public Service Superannuation Act, such persons to have been persons employed in the public service for the period of any retiring leave granted to them respectively and to have ceased to be employed in the public service on the day immediately following the last day of that leave, $1.

62a. To provide, notwithstanding anything in the Public Service Superannuation Act, that the reference in paragraph (a) of section 16 of that act to the last full month of service in the public service before a person is re-employed therein shall be construed as a reference to the last full month of service in the public service of that person that is immediately prior to the month in which, before his re-employment, he last became entitled to an annuity or annual allowance under the Public Service Superannuation Act, $1.

63a. To authorize the governor in council to prescribe the circumstances under which a person who, at any time during the period beginning on January 1, 1954 and ending on January 31, 1962, should have been treated as being employed substantially without interruption within the meaning of section 22 of the public service superannuation regulations as that section stood during that period but was treated as having been re-employed in the public service within the meaning of paragraph (a) of section 16 of the Public Service Superannuation Act, shall be deemed, from such time and for such period as the governor in council may prescribe, to have been re-employed in the public service for the purposes of paragraph (a) of section 16 of the said act, $1.

64a. To amend, with effect from such date as the governor in council may determine, part II of schedule A to the Public Service Superannuation Act by adding thereto the employees of the government of the Yukon Territory and to deem, for the purposes of section 23 and subsection (5) of section 30 of that act, the government of the Yukon Territory to be a corporation that is a public service corporation as defined in paragraph (a) of subsection (1) of the said section 23, $1.

65. Government's contributions to pension plans (and death benefit plans) for employees engaged locally outside Canada who are excluded from the Public Service Superannuation Act, $100,000.

66a. Notwithstanding the Public Service Superannuation Act, where a contributor, as defined in that act, immediately prior to his ceasing to be employed in the public service (a) has more than thirty years service of a type to which paragraph (b) of subsection (2) of section 4 of the said act refers, and (b) has to his credit less than five years pensionable service in the public service, he shall be deemed, for the purposes of the said act, to be a contributor to whom the provisions of subsection (1) of section 10 thereof apply, $1.

70. To supplement other votes, subject to the approval of the treasury board, for the payment of salaries, wages and other paylist charges, $23,000,000.

70a. To supplement other votes, subject to the approval of the treasury board, for the payment of salaries, wages and other paylist charges, $65,000,000.

LEGISLATION

The Senate—

The Speaker of the Senate—

1. Allowance in lieu of residence, $3,000.

5. General administration, $834,600.

DEPARTMENT OF FINANCE

General administration—

5a. Comptroller of the treasury—central office and branch offices administration, $998,000.

LEGISLATION

House of Commons—

The Speaker of the House of Commons—

10. Allowance in lieu of residence, $3,000.

Deputy Speaker of the House of Commons—

15. Allowance in lieu of apartments, $1,500.

DEPARTMENT OF FINANCE

Administration of various acts and costs of special functions—

15a. The Bank Act—salaries and expenses of the inspector general of banks' office, $1,000.

LEGISLATION

House of Commons—

20. Allowance to the deputy chairman of committees, $2,000.

25. Expenses of the Canada-United States interparliamentary group, of delegates attending other inter-parliamentary conferences, expenses connected with visits of delegates from other legislatures and Canada's fee for membership in the interparliamentary union, $20,000.

Supply—Items Passed

30. Canada's share of the expenses of the commonwealth parliamentary association including subscriptions to publications of the association, $22,780.

35. Grant to the Canadian North Atlantic Treaty Organization parliamentary association, $14,000.

40. General administration—Estimates of the clerk, $2,568,200.

45. Estimates of the Sergeant-at-Arms, $1,221,800.
Library of parliament—

55. General administration. $372,900.

DEPARTMENT OF FINANCE

General administration—

1. Departmental administration, $2,068,800.

Comptroller of the treasury—

5. Central office and branch offices administration, $21,528,300.

Administration of various acts and costs of special functions—

10. Superannuation and Retirement Acts administration, $816,900.

15. The Bank Act—Salaries and expenses of the inspector general of banks' office, $35,900.

20. Administration of the Farm Improvement Loans Act, the Veterans' Business and Professional Loans Act, the Fisheries Improvement Loans Act, the Prairie Grain Producers' Interim Financing Act, the Prairie Grain Loans Act and the Small Businesses Loans Act, $117,400.

Tariff board—

25. Administration, $207,800.

Royal Canadian mint—

30. Administration, operation and maintenance, $1,876,100.

DEPARTMENT OF EXTERNAL AFFAIRS

A—Department—

1. Departmental administration, $7,648,800.

1a. Departmental Administration including the expenses of the North Atlantic Treaty organization ministerial meeting in Canada, May, 1963, $798,100.

5. Representation abroad—operational—including authority, notwithstanding the Civil Service Act, for the appointment and fixing of salaries of high commissioners, ambassadors, ministers plenipotentiary, consuls, secretaries and staff by the governor in council, $13,210,000.

5a. Representation abroad—operational, $66,000.

10. Representation abroad—construction, acquisition or improvement of buildings, works land, equipment and furnishings, and to the extent that blocked funds are available for these expenditures, to provide for payment from these foreign currencies owned by Canada and provided only for governmental or other limited purposes, $2,493,800.

15. Canada's civilian participation as a member of the international commissions for supervision and control in Indo-China including authority, notwithstanding the Civil Service Act, for the appointment and fixing salaries of commissioners, secretaries and staff by the governor in council, $308,400.

20. Special administrative expenses 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, $70,200.

25. Official hospitality, $50,000.

30. Relief and repatriation of distressed Canadian citizens abroad and their dependents and for the reimbursement of the United Kingdom for relief expenditures incurred by its diplomatic and consular posts on Canadian account (part recoverable), $20,000.

35. Canadian representation at international conferences, $357,000.

40. Grant to the United Nations association in Canada, $12,000.

42a. Gift to commemorate the independence of Nigeria (revote), $10,000.

43a. Gift to commemorate the independence of Tanganyika (revote), $5,000.

44a. Contribution to the Atlantic institute, $4,000.

45. Grant to the Canadian Atlantic co-ordinating committee, $2,500.

46. Gift to commemorate the independence of Jamaica, $10,000.

47. Gift to commemorate the independence of Trinidad and Tobago, $10,000.

48. Gift to commemorate the independence of Uganda, $5,000.

External aid office—

50. Salaries and expenses, $652,600.

Bilateral aid programs—

55. Colombo plan, $41,500,000.

60. Commonwealth Caribbean assistance program in respect of the islands of the former federation of the British West Indies, British Honduras, and British Guiana, $2,100,000.

65. Special commonwealth Africa aid program, $3,500,000.

70. Economic assistance to commonwealth countries and territories not included under other Canadian bilateral aid programs, $20,000.

75. Commonwealth scholarship plan, $1,000,000.

78. Educational assistance for independent French speaking African states, $300,000.

Contributions to other international economic and special aid programs—

Multilateral economic aid programs—

80. Contribution to the United Nations special fund in an amount of $2,350,000 U.S. notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of December 1962, which is, $2,527,700.

85. Contribution to the United Nations expanded program for technical assistance to under-developed countries in an amount of $2,150,000 U.S. notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of December, 1962, which is, $2,312,600.

90. Contribution to the operational budget of the International Atomic Energy Agency in an amount of $57,800 U.S. notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of December, 1962, which is, $62,200.

Special aid programs—

95. Contribution to the program of the United Nations high commissioner for refugees, $290,000.

96a. Contribution to India of 500 tons of electrolytic nickel, $855,000.

97a. Credits in the current and subsequent fiscal years, not exceeding in aggregate $2,000,000 to the government of India of one-half of the interest payable by India under a financial agreement entered into between the government of Canada and the government of India to finance the purchase in Canada of aircraft and associated spare parts and equipment; amount required for the current fiscal year, $250,000.

98a. Contribution to Greece of surplus Canadian food products up to a total amount of $1,000,000. to assist in meeting special defence requirements, $1,000,000.

100. Contribution to the United Nations children's fund, $800,000.

105. Contribution to the United Nations relief and works agency for Palestine refugees in the near east, $500,000.

107. Purchase of flour to be given to the United Nations relief and works agency for Palestine refugees in the Near East, $500,000.

110. Contribution towards the refugee program of the intergovernmental committee for European migration, $60,000.

112. Further contribution to the world food program in an amount of $2,000,000 U.S. as part of a total contribution of $5,000,000 U.S. notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of December, 1962, which is, $2,151,300.

Other payments to international organizations and programs—

115. Assessments for memberships in the international (including commonwealth) organizations that to pay such assessments in the amounts and in the currencies in which they are levied, notwithstanding that the total of such payments may exceed the equivalent in Canadian dollars, estimated as of December, 1962, which is, $7,596,300.

120. Contribution to the program of the North Atlantic Treaty Organization's science committee in an amount of $220,038 U.S., notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of December, 1962, which is, $236,700.

125. Payment to the international civil aviation organization in part reimbursement of compensation paid to its Canadian employees for Quebec income tax for the 1962 taxation year, $15,000.

130. To provide the international civil aviation organization with office accommodation at less than commercial rates, $387,600.

140. Grant to the international committee of the Red Cross, $15,000.

145. Grant to the commonwealth institute in an amount of £500, notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of December, 1962, which is, $1,500.

B—International joint commission—

150. Salaries and expenses of the commission including, subject to the approval of the governor in council and notwithstanding the International Boundary Waters Treaty Act, as amended, payment of salary of the chairman at $17,500 per annum, $111,100.

155. Canada's share of the expenses of studies, surveys and investigations of the international joint commission, $42,500.

Other payments to international organizations and programs—

116a. Assessment for the United Nations Congo ad hoc account for the period July 1, 1963 to December 31, 1963, in an amount of $1,560,000 U.S., notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of May, 1963, which is, $1,684,800.

116d. Assessment for the United Nations Congo ad hoc account for the period July 1, 1963, to December 31, 1963, in an amount of $1,560,000 U.S.—To extend the purposes of vote 116a of the supplementary estimates (A), 1963-64, to include a special contribution to the said account in an amount of $173,000 U.S., $1.

117a. Assessment towards financing the United Nations emergency force for the period July 1, 1963 to December 31, 1963, in an amount of $312,000 U.S., notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of May, 1963, which is, $336,960.

117d. Assessment towards financing the United Nations emergency force for the period July 1, 1963, to December 31, 1963 in an amount of $312,000 U.S.—To extend the purposes of vote 117a of the supplementary estimates (A), 1963-64, to include a special contribution to the said account in an amount of $37,000 U.S. and, for that purpose, to provide a further amount of $21,000 U.S. notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of September, 1963, which is, $22,680.

Loans, investments and advances—

L10. Additional advance to the working capital fund of the United Nations organization in the amount of $468,000 U.S., notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of December, 1962, which is, $503,400.

L10a. Additional advance to the working capital fund of the United Nations Organization, in an amount of $109 U.S., notwithstanding that payment may exceed or fall short of the equivalent in Canadian dollars, estimated as of May, 1963, which is, $118.

L13a. Loans to the government of India to finance the purchase in Canada of aircraft and associated spare parts and equipment in accordance with a financial agreement entered into between the government of Canada and the government of India, $12,500,000.

L15. Loans to the International Civil Aviation Organization in the current and subsequent fiscal years in accordance with regulations of the governor in council, $750,000.

DEPARTMENT OF TRANSPORT

E—National harbours board—

225. Advances to national harbours board, subject to the provisions of section 29 of the National Harbours Board Act, to meet expenditures applicable to the calendar year 1963 on any or all of the following accounts:

Reconstruction and capital expenditures—

Halifax	$1,477,600.
Saint John	217,000.
Quebec	1,785,000.
Prescott	40,000.
Churchill	815,000.
General—Unforeseen and Miscellaneous	200,000.
	$4,534,600.
Less—Amount to be expended from replacement and other funds	1,458,700.
	$3,075,900.

Supply—Items Passed

A—Department—

Air services—

Civil aviation branch—

140. Control of civil aviation including the administration of the Aeronautics Act and regulations issued thereunder, $5,211,100.

145. Airports and other ground services—Operation and maintenance, $22,532,100.

155. Construction or acquisition of buildings, works, land and equipment with respect to national airports (as determined by the Minister of Transport) and related facilities; contributions towards construction done by local or private authorities with respect to such airports, amounts to be paid in settlement of claims for compensation by persons whose property is injuriously affected by the operation of a zoning regulation made under authority of paragraph (j) of subsection (1) of section 4 of the Aeronautics Act and authority, notwithstanding section 30 of the Financial Administration Act, to make commitments for the current fiscal year not to exceed a total amount of $41,360,000, $38,477,000.

160. Contributions, in accordance with terms and conditions approved by the governor in council, to assist in the establishment or improvement of local airports and related facilities, $168,700.

165. Grants for the development of civil aviation, in the amounts detailed in the estimates, $360,000.

Meteorological branch—

200. Construction or acquisition of buildings, works, land and equipment, $2,300,500.

B—Air transport board—

205. Salaries and other expenses including the Canadian delegation to the international civil aviation organization, $622,400.

C—Board of Transport Commissioners for Canada—

212. Amount to be credited to the railway grade crossing fund, in addition to the amount to be credited to the fund under the Railway Act in the current fiscal year; and, notwithstanding section 30 of the Financial Administration Act, to authorize an increase to $24,067,000. in the commitments (in addition to any commitments in respect of which amounts are appropriated under this or any other Act) that may be made in the current and subsequent fiscal years, $100,000.

213a. To provide payments to companies subject to Order Number 96300, dated November 17, 1958, of the Board of Transport Commissioners for Canada of an aggregate amount of $20,000,000 in respect of the period April 1, 1963, to March 31, 1964, to be paid in instalments at such times as may be determined by the said board for the purpose of reimbursing the said companies for such diminution in their aggregate gross revenues during the said period as in the opinion of the said board is attributable to such companies maintaining the rate level for freight traffic at an 8% increase instead of 17% as authorized by the said order; and to provide payments to the said companies of an aggregate amount in respect of the calendar year 1963 of $50,000,000 to be paid in instalments at such times and in accordance with such methods of allocation as may be determined by the said board for the maintenance by such companies of the rates of freight traffic at the said reduced level, $70,000,000.

D—Canadian maritime commission—

222d. Capital subsidies for the construction of commercial and fishing vessels in accordance with regulations of the governor in council, $10,000,000.

APPENDIX

PARLIAMENT HILL AND THE BUILDINGS THEREON

Notes on civil law respecting their ownership, management and control and the rights and interests therein of Federal and provincial Crown Parliamentary and Judicial authorities.

Legal Title

With the exception of the years 1802-1823, Parliament Hill has been owned by the Crown—successively the Crown Imperial, the Crown Provincial and the Crown Federal. Since 1823, the Crown has always held these lands for public purposes—either of defence or generally. In 1802, the British Crown granted the area to Jacob Carman who deeded it in 1812 to Thomas Fraser by whose son Hugh it was inherited. In 1823 the Earl of Dalhousie, the Governor, purchased the Hill from Hugh Fraser on behalf of the British Crown and, by letter, entrusted its control and management to Colonel John By with instructions that the Hill, together with Major Hill and Nepean Point, be reserved for military purposes. About 1857 the British Crown transferred the Ordnance (or military) lands —these including the Hill, together with the Rideau Canal lands—to the Government of Upper Canada. With Confederation the Hill and the buildings then thereon were included in those public lands and works transferred from Upper Canada to Canada by section 108 of the B.N.A. Act and clause 9 of the 3rd Schedule thereto. Thereafter the Hill has continued in the ownership of Canada. The statutory phrase is that the Parliament Hill lands are absolutely vested in Her Majesty in right of Canada for the purposes of Canada. See: Public Lands Grants Act, R.S. 1952 Can., ch. 224 and Ordnance and Admiralty Lands Act, R.S. 1927 Can., ch. 115.

Disposition, Control and Management

Primarily the powers of disposition, control and management of the lands and works of Parliament Hill are presently in the Governor in Council. This, of course, is by authority of Parliament which has the ultimate sovereignty. At the present time, the Governor in Council holds the power of disposition of title and the power of appointment over the control and management.

By virtue of the Public Lands Grants Act, R.S. ch. 224, the Governor in Council may classify public lands as those necessary for defence of Canada and those not so necessary: thereafter the Governor in Council may authorize the sale, lease or other disposition of any public lands not required for public purposes. Parliament, under the Public Works Act, R.S. ch. 228, has entrusted the control management and administration of the Hill and buildings to the Minister of Public Works: but, under section 35 of the Act, has given a power of appointment to the Governor in Council so that that authority may transfer the management, charge and direction of any public work (defined as including "property"), or any power, duty or function with respect thereto, to any other Minister or department. Section 28 authorizes the Governor in Council to make such regulations as he deems necessary for the management, maintenance, proper use and protection of the property. Again, the Governor in Council, under the Public Service Re-arrangement and Transfer of Duties Act, R.S., ch. 227, may transfer the duties of one Minister to another. Historically, Parliament first entrusted Parliament Hill and buildings to the Secretary of State. Chapter 42 of the 1868 Acts provided that the Secretary of State should be substituted for the Commissioner of Crown Lands as regards the Ordnance and Admiralty lands transferred to the late Province of Canada.

Parliament has also given the National Capital Commission certain interests under the National Capital Act, Acts 1958, ch. 37. The Minister in charge of any property may ask the Commission to maintain and improve it. More important from the control standpoint, any proposals for the location, erection, alteration or extension of a building or other work on public lands by a department in the National Capital Region (which is described in the Schedule as including "the whole of the City of Ottawa, in the County of Carleton, Province of Ontario") must be referred to the Commission: the site, location and plans must be approved by the Commission. However, non-approval by the Commission may be overruled by the Governor in Council; alternatively, if approval is given by the Commission, the Governor in Council may attach terms and conditions. Presently, the Minister answerable to the Governor in Council and Parliament for the actions of the Commission is the Minister of Public Works: the votes of the Commission for

operation and maintenance of parks, parkways and grounds adjoining government buildings at Ottawa are included in the Supply estimates of the Public Works Minister. However, the control exercised by the Commission and the Governor in Council does not apply to interior alterations in a building.

Parliament has given the Governor in Council further administrative powers over the Parliament Hill lands in the Government Property Traffic Act, R.S. ch. 324, as amended by Acts 1960-61, ch. 34. By this act, Parliament authorizes the Governor in Council to make the necessary regulations for the control of traffic "upon any lands belonging to or occupied by Her Majesty in right of Canada". The Governor in Council is empowered to authorize "officers" to enforce the regulations which, by the statute, carry quasi-criminal sanctions. Under the R.C.M. Police Act, Acts 1959, ch. 54, the Governor in Council may require the R.C.M.P. to perform such duties and functions in such places within or outside Canada as the Governor in Council prescribes. The force is controlled and managed by the R.C.M.P. Commissioner who is under the direction of the Minister of Justice. Thus, the Governor in Council may require the R.C.M.P. to assume duties, as well as those of traffic, control, on the Hill; and thus the Minister of Justice is responsible for the execution of these duties to the Governor in Council and Parliament.

The final power over the control and management of the Parliament Hill lands and buildings is financial. All monies expended upon these lands and buildings are, of course, voted by the House of Commons in the annual Supply Bill. The specific votes covering such expenditures are in different departmental estimates: Legislation, Public Works, R.C.M. Police. In the 1961-62 Estimates, two Legislation votes indicated a degree of control in the respective Senate and House of Commons votes for the Protective Services. At present these Protective Services operate solely within the Centre Block Building. In the Public Works Estimates there are votes under two main headings: "Public Buildings Construction and Services" and "National Capital Commission". Under the R.C.M. Police Estimates, the expenditures on police service for Parliament Hill are included under "Headquarters Administration and National Police Service—Operation and Maintenance." There are two statutes of Parliament which distribute authority generally and specifically over expenditures on Parliament Hill and its buildings. One is the Financial Administration Act, R.S., ch. 116, as amended, and the other is the House of Commons Act, R.S., ch. 143. By section 5 of the F.A. Act, the Treasury Board acts as a committee of the Privy Council on all matters relating to "finance, revenues, estimates, expenditures and financial commitments . . . " Sections 15 to 18 of the House of Commons Act provide for the Speaker to prepare estimates for the House of Commons, for the approval of these estimates by the Minister of Finance, and for the administration of the expenditure of these estimates, as so approved, by a Committee composed of the Speaker and four members of the Privy Council who are also members of the House. These four Privy Councillors are appointed by the Governor in Council.

The Library of Parliament is in a unique position as to its ownership and the trust on which it is held, its physical occupation of a portion of the Parliament Buildings, and its control and management.

Parliament, by the Library of Parliament Act, R.S. 166, as amended by Acts 1955, ch. 35, provides that the title to the books and other effects now or hereafter in the joint possession of the Senate and Commons are vested in Her Majesty for the use of both Houses of Parliament—not public purposes generally. Parliament requires that the Library "shall be kept in a suitable portion of the Parliament Buildings appropriated for the purpose." This is the first reference to the Parliament buildings, as such, either in the singular or plural, in any statute herein cited. It will also be noted that no authority is specifically charged with appropriating Library space. Section 3 provides that the direction and control of the Library and of its officers and servants "is" vested in the Senate Speaker and the Commons Speaker assisted, during each session, by a joint Parliamentary Committee. (The English statute version gives the singular verb "is" to "direction and control" as though those the words had one meaning; the French version has "sont confiees" and thereby giving separate but equal value to each power). Section 4 provides that the Speakers, assisted by the joint committee, may make orders and regulations for the government of the Library and for the proper expenditure of moneys voted by Parliament for the purchase of books and other effects to be deposited therein subject to the approval of the two Houses of Parliament.

The relationship of the Reading Room of the Commons to the Library—and therefore to Parliament, the two Speakers, and the House Internal Economy Committee—is difficult to define. Prior to June, 1954, the Reading Room was an adjunct of the Commons and its control and direction entrusted to the Commons' Speaker: its estimates were included in the Speaker's estimates and so were subject to approval by the Minister of Finance and their expenditure, when voted,

controlled by the Internal Economy Commissioners. The minutes of the Joint Committee on the Library for June 13, 1954, have the following entry:

"Reading Room of the House of Commons.

The Honourable the Speaker of the House of Commons reported that the Internal Economy Committee of the House of Commons has recommended, at its last meeting, that the Reading Room of the House of Commons be placed under this Committee and, if this Committee agreed, that it be placed under the authority "of the Joint Librarians". This recommendation was adopted by the Joint Committee on the Library. Another entry notes that similar action was recommended with respect to the Reading Room of the Senate and that the Joint Committee had agreed to accept the responsibility of the Reading Room of the Senate subject to the approval of the Internal Economy Committee of the Senate. It appears that the Senate did not accept the offer of the Joint Library Committee. The motion made by the Joint Committee to the House of Commons and adopted by the Commons on the 23rd of June, 1954, is recorded in the House Journals as follows:

"That the Reading Room of the House of Commons be placed under the authority of the Joint Librarians".

An amendment to the Library of Parliament Act, in 1955, ch. 35, became effective on the retirement of one of the Joint Librarians and provided that the Parliamentary Librarian, the Associate Parliamentary Librarian, and the rest of the staff should perform those duties defined by regulations agreed upon by the two Speakers and concurred in by the Joint Committee.

The annual votes for the Commons' Reading Room have been since included in those of the Library. The transfer was awkwardly done from a legal standpoint and raises questions as to the financial and other management and control of the Commons' Reading Room, the ownership of its contents, and the responsibility of the Senate Speaker, if any.

The Joint Parliamentary Restaurant (which includes the Cafeteria) is another parliamentary emanation which raises questions of the *lex parliamentii* arising out of the financial relationship between the two Houses, on the one hand, and the Treasury Board, on the other, as well as a question of statutory interpretation of the powers of control given by Parliament to the Commissioners of Internal Economy of the House, and the inherent powers of control residing in the two Speakers and the Joint Parliamentary Committee. The following is extracted from the 1958 "Audit Office Guide", issued by the Auditor General, at p. 95:

Parliamentary Restaurant Accounts

The Restaurant is a joint activity of the Senate and House of Commons. While it is assisted out of votes, the account is not regarded as one within the ambit of the Public Accounts of Canada. The history of the audit arrangement is a somewhat interesting one: Up to 1932 it was not regarded as an account in which the Auditor General had any interest. However, in that year the Auditor General decided that the provisions of the newly enacted Consolidated Revenue and Audit Act, 1931, imposed an obligation on him to examine the accounts of the restaurant. Accordingly, he wrote the Speaker of the House of Commons asking for a statement of receipts and disbursements. On 12 May, 1933 the request was considered by the joint parliamentary committee on the restaurant and it was decided:

That the Auditor General's application to audit the committee's books cannot be entertained because such of the committee's expenditures as are charged against moneys received in payment of meals and not against public moneys are now audited by the firm of Milne, Steele and Company, who give entire satisfaction.

The Auditor General referred the matter to Treasury Board and in August 1933 it was indicated to the Speaker of the House of Commons that the board's view was that an annual examination should be made by the Auditor General. No records being made available to him for audit, on 22 November 1934 the Minister of Finance wrote the Speaker urging that this be done. The letter was considered by the joint committee but no action taken and the position remained unchanged until 15 May 1936 when a meeting of the joint parliamentary committee on the restaurant dealt with the matter in the following way:

The chairman pointed out that at a recent meeting of the commissioners of internal economy the desirability of its being in a position to carry out close supervision of all House of Commons expenditures was discussed. Arising from this was a request from the commissioners that regular reports on the restaurant appropriation vote be submitted for their consideration from time to time. After some discussion, upon motion of Mr. MacInnis seconded by Mr. Landeryou it was unanimously resolved:

(a) That, inasmuch as the sum of $15,000 is included in the House of Commons Estimates for the expenses of the parliamentary

restaurant which receives in addition a substantial revenue from the operation of its business, the commissioners of internal economy would find it easier to control the spending of the house's estimates if they were supplied with monthly statements showing the receipts and expenditures of the restaurant;

(b) That the restaurant's accounts should be audited by one of the Auditor General's subauditors because, although its revenues are not credited to the consolidated revenue fund, the employees' salaries and the deficit on the yearly operations are charged upon the above $15,000 vote which is under the control of the commissioners of internal economy;

(c) That the joint committee on the restaurant agrees to co-operate in this effort to ensure a close audit of all the moneys voted for the expenditures of the House of Commons.

END OF VOLUME VI

END OF SESSION